



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS MEETING
THURSDAY, MARCH 14, 2019**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their meeting scheduled for Thursday, March 14, 2019 at 5:30 p.m. at the City of Woodland Council Chambers located at 300 1st Street, Woodland, California 95695. Chairperson Tom Stallard established that there was a quorum present and began the meeting at 5:30 p.m.

Board Members Present: Tom Stallard, Gary Sandy, Lucas Frerichs, Angel Barajas (departed at 6:13 p.m.), Don Saylor, Dan Carson

Members Absent:

Approval of Agenda Director Frerichs made a motion to approve the March 14, 2019 Agenda, seconded by Director Saylor. Motion passed unanimously.

Public Comment Chairperson Stallard opened the floor for public comment. There being none, he moved on to the next item.

CLOSED SESSION: Interim General Manager Mitch Sears informed the Board that there was no need for a closed session. Chairperson Stallard informed those present that the Board would not be going into closed session and moved on to the Consent Agenda.

Conference with Legal Counsel – Anticipated Litigation

Approval of Consent Agenda Chairperson Stallard asked the Board if they had any Consent items they would like pulled to the Regular Agenda. There being none, Director Barajas made a motion to approve the Consent Agenda, seconded by Director Frerichs. Motion passed unanimously.

Approval of Minutes from January 23, 2019 Board Meeting Director Barajas made a motion to approve the January 23, 2019 meeting minutes, seconded by Director Frerichs. Motion passed unanimously.

Receive 2019 Long Range Calendar Director Barajas made a motion to receive the 2019 Long Range calendar, seconded by Director Frerichs. Motion passed unanimously.

Receive Financial Update – December 31, 2018 and January 31, 2019 (unaudited) Director Barajas made a motion to receive the financial update – December 31, 2018 and January 31, 2019 (unaudited) financial statements, seconded by Director Frerichs. Motion passed unanimously.



financial statements

Receive Keyes & Fox March 2019 Regulatory Update	Director Barajas made a motion to receive the regulatory monitoring report dated March 7, 2019 prepared by Keyes & Fox, seconded by Director Frerichs. Motion passed unanimously.
Receive Customer Enrollment Update and Monthly Call Center Report	Director Barajas made a motion to receive the Customer Enrollment update as of March 6, 2019 and Monthly Call Center Report as of February 24, 2019, seconded by Director Frerichs. Motion passed unanimously.
Receive Community Advisory Committee's Meeting Summaries	Director Barajas made a motion to receive the Community Advisory Committee's January 24, 2019 and February 28, 2019 meeting summaries, seconded by Director Frerichs. Motion passed unanimously.
Adoption of Resolution authorizing Board to Disclose Information to Member Agencies / Resolution 2019-003	Director Barajas made a motion to approve a resolution titled "Resolution adopting a policy concerning closed sessions pursuant to Government Code Section 54956.96 for the Board of Directors of the Valley Clean Energy Alliance (VCEA)", seconded by Director Frerichs. Motion passed unanimously.
Update and Request Extension of Peak Day Pricing Pilot Program	Director Barajas made a motion to receive and extend the Peak Day Pricing pilot program, seconded by Director Frerichs. Motion passed unanimously.
Receive UltraGreen Costs and Benefits Information to Local Government	Director Barajas made a motion to receive the UltraGreen (100% Renewables) costs and benefits to local governments, seconded by Director Frerichs. Motion passed unanimously.
Update on CPUC's Decision on Energy Resource Recovery Account, including Power Charge Indifference Adjustment (Informational)	VCE Interim General Manager Mitch Sears provided an update to those present on the California Public Utility Commission's decision on group rates for 2019, the inclusion of brown true costs in their decision, and AET rates. Chairperson Stallard opened the floor for Board questions and comments, then to the public. There being none, the Board moved on to the next item.



Review and
Provide Feedback
on Preliminary
Draft Fiscal Year
2019/2020
Operating Budget

VCE Staff Lisa Limcaco reviewed the draft fiscal year (FY) 2019/2020 operating budget, including review of the background of FY2018/2019 operating budget; FY2018/2019 actuals and forecast; assumptions on electric revenue, power costs/mix, and FY2018/2019 other operating costs; and, FY2019/2020 preliminary operating budget.

Chairperson Stallard opened the floor for Board questions and comments. Items discussed were marketing costs and what is done with revenue over the 5% margin. Lastly, Ms. Limcaco informed the Board that a final recommended operating budget would include PG&E generation rates and PICA exit fees and Staff would seek Board approval at their May or June meeting, depending on when the PCIA rates come out. Chairperson Stallard opened the floor for public comment. There being none, the Board moved on to the next item.

Receive and
Provide Feedback
on draft approach
of the new Rate
Structure /
Dividend
Guidelines

Mr. Sears introduced this item. Ms. Limcaco informed those present that she has been working with the Community Advisory Committee Rates and Services Task Group on the best possible approach of a new rate structure / dividend program and the composition of draft guidelines. Ms. Limcaco reviewed the background, key considerations, rate design impacts on customer opt-outs, minimum net margin, cash reserves, allocation of net margin, and draft dividend program guidelines.

A discussion occurred regarding items such as, what was Monterey's experience with implementing their dividend program, setting a threshold amount, looking at cost/ benefit analysis of such a program, the importance of being transparent, focusing on communicating with the customers on VCE's goals and alignment with customer values, and, lastly, pursuing a variety of options of what a customer can do with their dividend. Chairperson opened the floor for public comment, there being none, the Board moved on to the next item.

Director Barajas left the Board meeting at 6:13 p.m.

Receive
Information on the
Residential Time of
Use Rate Classes
(Informational)

Mr. Sears introduced this item. VCE Staff Jim Parks provided an overview of PG&E's residential time of use rate classes. Mr. Parks informed the Board that PG&E has offered to come speak with them at a future Board meeting. He also informed those present that the residential time of use rates will be presented to the Community Advisory Committee for their review and input. Chairperson Stallard opened the floor for questions and comments. Several questions were asked and comments were made. discussed and made. Mr. Parks informed those present that VCE is not required to have residential time of use rates and can set our own time period, days of the week and rates if the Board so chooses. The objective is that the time of use rates are revenue neutral to spread the energy



demand. Mr. Parks informed the Board, that a decision needs to be made by October 2019, with a roll out date for VCE in February 2021. In addition, notifications will have to be sent out either as a joint mailer with PG&E or by VCE only.

Mr. Parks also informed those present that there is a bill protection component the residential time of use rates that is being offered by PG&E, with VCE's discretion to offer the protection or not, should VCE participate in the Time of Use program. Mr. Parks reiterated that the California Public Utilities Commission has made it a requirement that the IOUs have a Time of Use Program along with a one (1) year bill protection. Chairperson Stallard asked if the Board had any other questions or comments. Comments were made that if VCE decides to have residential Time of Use Rates that VCE Staff be cognizant of the number of communications that are sent to the customer and to look to SMUD's model on their roll out of residential Time of Use. Chairperson Stallard asked if there were any public comments. There being none, the Board moved on to the next item the next item on the agenda

Review and
Approve Updated
Valley Clean
Energy Strategic
Marketing &
Communications
Plan

Mr. Sears introduced this item. VCE Staff Jim Parks briefly reviewed the highlights of the updated plan. Chairperson Stallard asked if the Board had any questions or comments. Various questions and comments were made, such as: focusing on VCE's values and stability; the need for different marketing efforts for the different segments of customers; the importance of keeping the VCE website up to date with information and news; and, including goals/objectives that can be measured. Mr. Parks informed those present that the Plan is a long-term big picture plan and that Staff, Green Ideals and the Outreach Task Group are currently putting together the strategic plan, which is more of the nuts and bolts of how to achieve Plan objectives. Chairperson Stallard opened the floor to public comment. No public comments were made.

Director Frerichs made a motion to approve the updated Valley Clean Energy Strategic Marketing & Communications Plan, seconded by Director Saylor. Motion passed unanimously by the following vote:

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

Board Member and
Staff
Announcements
VCEA Board Minutes

Mr. Sears informed those present that CalCCA is establishing a footprint in Sacramento and in California. They recently hired regulatory and legislative personnel; are concentrating on strategic initiatives; and, have established a



lobbying day on Wednesday, April 3rd. Mr. Sears will send out the invite to the Board Members. Other news: PG&E was found to be liable for the fire in southern California; the Bankruptcy Judge made decisions on the first day motions that were not adverse to CCAs; and, other CCAs have more exposure since they contracted with PG&E, but VCE and others have not. He also reported that the PG&E bankruptcy is proceeding as anticipated. PG&E's bankruptcy is being discussed in multiple venues: Senate, Assembly and Governor's office, with CalCCA invited to participate.

Mr. Sears informed those present that VCE will have a table at the Yolo Interfaith Alliance for Climate Justice Climate Conference on March 16th from 1-4 p.m. at the United Methodist Church of Davis. In addition, VCE is serving in a role representing CCAs and have been invited to attend the City of Stockton Board meeting scheduled for next week where VCE will be presenting information to them.

Board announcements: Director Carson announced that along with Director Frerichs as Members of the Legislative Subcommittee, put forth a Declaration to the City of Davis Council on March 5th. This Declaration was approved declaring a climate emergency and proposing to mobilize efforts to restore a safe climate.

Director Saylor informed those present that the Yolo County staff about six (6) months ago, established a Green Team – Sustainable Yolo and are currently planning their day to day operations.

Resident Dan Berman commented that he saw an IBEW 1245 flyer that mentioned the possibility of several claims committees forming regarding PG&E's bankruptcy. He suggested that Staff or the Board attend these committee meetings. There were no other public comments made.

Adjournment

Chairperson Stallard adjourned the meeting to the next regular meeting scheduled for Thursday, April 11, 2019 at 5:30 p.m. at the City of Davis Community Chambers located at 23 Russell Blvd., Davis.

Meeting was adjourned at 7:03 p.m.

Alisa M. Lembke
VCEA Board Secretary