



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS MEETING
THURSDAY, DECEMBER 12, 2019**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their special meeting scheduled for Thursday, December 12, 2019 at 5:30 p.m. at the City of Davis Community Chambers located at 23 Russell Boulevard, Davis, California 95616. Chairperson Tom Stallard established that there was a quorum present and began the meeting at 5:34 p.m.

Board Members Present: Tom Stallard, Gary Sandy, Lucas Frerichs*, Don Saylor, Dan Carson
(*arrived at 5:36 p.m.)

Associate Members Present: Wade Cowan, Jesse Loren, Christopher Cabaldon*, Beverly Sandeen*
(*departed at 6:10 p.m.)

Members Absent: Angel Barajas

Approval of Agenda Chairperson Stallard informed those present that regular agenda Item 15 – draft Guiding Principles will be addressed on the regular agenda first before Item 11 – Winters membership and Addendum 1 to Implementation Plan. In addition, Item 16 – 2019 year-end review will be tabled to the Board’s January meeting. Consent agenda was approved as modified.

Public Comment Chairperson Stallard opened the floor for public comment. No public comment.

CLOSED SESSION: The Board adjourned their meeting to go into Closed Session at 5:37 p.m. The Board returned to their regular Agenda at 6:10 p.m. Chairperson Stallard reported that the Board had no reportable action out of closed session. Chairperson Stallard then moved on to the Consent Agenda.

Approval of Consent Agenda Prior to approval of the items on consent, Director Carson asked that the budget analysis for Item 7 – October 31, 2019 (unaudited) financial statements, was not included in the Board packet, could be sent via e-mail to the Board members. Staff will forward to the Board.

Director Carson made a motion to approve the consent agenda Items 5 through 10, seconded by Director Saylor. Motion passed with Director Barajas absent. The following consent items were approved:

5. November 14, 2019 regular Board meeting Minutes with correction to Winters Councilmember Wade Cowan’s title from “Mayor” to “Mayor Pro Tempore”);
6. Receive 2019 and draft 2020 Long Range Calendar;
7. Receive Financial Updates – October 31, 2019 (unaudited) financial statements with the budget analysis to be sent to the Board;



8. Receive December 5, 2019 Regulatory Update provided by Keyes & Fox;
9. Receive November-December 2019 Customer Enrollment update and monthly call center report as of December 1, 2019; and,
10. Receive Community Advisory Committee's November 12, 2019 Special Meeting Summary.

Consider Draft Guiding Principles related to the potential acquisition of PG&E's local electricity distribution system

Interim General Manager Mitch Sears introduced this item. Mr. Sears informed those present that VCE submitted an offer, PG&E sent a reply, and collectively, interested parties are going to be submitting a joint letter to PG&E. VCE Staff have drafted guiding principles using examples from other jurisdictions for the Board's review and consideration of adoption. Mr. Sears introduced VCE Staff Victoria Zavattero who proceeded with reviewing how the adoption of distribution system principles can help VCE and reviewed the following draft principles for consideration:

- 1) Create and maintain an electric system that is reliable and maximize safety for all customers.
- 2) Ensure that rates and bills are affordable for all customer classes.
- 3) Conduct all business in a manner that is ethical, open and transparent to customers and communities.
- 4) Protect workers by preserving labor agreements and benefits.
- 5) Develop a governance structure that provides for and encourages customer participation and fosters local decision-making allowing communities to implement energy solutions that are right for them.
- 6) Demonstrate environmental leadership.

Ms. Zavattero informed the Board that after a core set of principles are adopted, the next step would be to develop metrics to measure progress and adherence to the adopted principles.

Several comments were provided by the Board Members, such as: the difficulty with getting PG&E to assist with fostering local development and demonstrating support to environmental justice; draft principle #6 above being too general and needs to be more specific; the need to include PG&E in economic development, electric system creation and maintenance, and the demonstration of environmental leadership; providing quality of life and value to the communities within VCE's jurisdiction; and, the need to reinvest in the infrastructure. An additional comment was made that since each VCE jurisdiction has different cultures where one approach does not work for all communities, it was suggested that a tool kit be provided. Lastly, finding ways to engage the public in local decision making is important.

Chairperson Stallard suggested that each member provide input to VCE Staff so that Ms. Zavattero can redraft the principles for review at the Board's January meeting. It was agreed that strengthening the language of the draft principles,



including but not limited to draft principle #6 - "demonstrate environmental leadership" is necessary.

Chairperson Stallard tabled this item to the Board's January 2020 meeting where VCE Staff can present redrafted guiding principles for the Board's consideration.

Approve
Resolutions City of
Winters
Membership to
VCE JPA and
Amendment to
VCE's
Implementation
Plan and Statement
of Intent for
Winters Enrollment
/ Resolutions 2019-
016 and 2019-017

Mr. Sears introduced this item to accept the City of Winters into VCE JPA, amend the Implementation Plan and Statement of Intent for Winters enrollment, and appoint City of Winters Councilmembers to the VCE Board of Directors.

Director Frerichs made a motion to approve the Resolutions below and appoint City of Winters Councilmembers to the VCE Board, seconded by Director Sandy.

- 1) A resolution entitled "Resolution of the Board of Directors of the Valley Clean Energy Alliance (VCE) approving the City of Winters membership in the VCE Joint Powers Agency (JPA) and authorizing Interim General Manager in consultation with Legal Counsel to update the Exhibits of the VCE Joint Exercise of Powers Agreement to provide for the membership of Winters and its participation of Winters in the Community Choice Energy Program". Motion passed as Resolution 2019-016.
- 2) A resolution entitled "Resolution of the Board of Directors of the Valley Clean Energy Alliance approving Addendum One (1) to the Valley Clean Energy Alliance Implementation Plan and Statement of Intent". Motion passed as Resolution 2019-017.
- 3) Appointment of Councilmembers Wade Cowan and Jesse Loren to the Valley Clean Energy Board of Directors.

Motion passed by the following vote:

AYES: Stallard, Sandy, Frerichs, Carson, Saylor

NOES: None

ABSENT: Barajas

ABSTAIN: None

Short Term Energy
Procurement Plan /
Resolution 2019-
018

VCE Staff Gary Lawson introduced this item. Mr. Lawson reviewed key policy issues, the draft sustainable clean portfolio, minimum portfolio targets, Staff's recommendation, and clarification of the motion made and adopted by CAC on the minimum portfolio targets.

The Board discussed the CAC's recommendation that "...42% is the absolute minimum renewable portfolio percentage and encouraged that renewable purchases be made to increase that percentage above 42%, where fiscally appropriate...". The Board commented that this portion of the CAC's recommendation implies a promise of over delivery to its customers when the Board has the responsibility of balancing policy goals. Maintaining a minimum of



42% may at times, be unachievable. VCE Staff noted that Staff's recommendation and proposed Resolution is to "maintain a 42% renewable target for 2021..."

A motion was made by Director Saylor to adopt a resolution entitled "a Resolution of the Valley Clean Energy Alliance approving the 2020 Procurement Plan, Directives and Delegations for procuring Valley Clean Energy's Power Portfolio for Calendar Year 2021, the Targeted Portfolio mix, and the maintenance of a minimum Renewable Target for 2021", seconded by Director Loren. Motion passed as Resolution 2019-018 by the following vote:

AYES: Stallard, Sandy, Frerichs, Carson, Saylor, Cowan, Loren

NOES: None

ABSENT: Barajas

ABSTAIN: None

Update on
Integrated
Resource Plan
Process
(Informational)

Mr. Sears reviewed the Integrated Resource Plan calendar and provided a verbal update to the Board on the Integration Resource Plan workshop held on Monday, December 9, 2019. The workshop was well attended, numerous questions were asked, and Staff received some good input.

Update on 2020
Power Charge
Indifference
Adjustment (PCIA)
and Energy
Resource Recovery
Account (ERRA)
(Informational)

VCE Staff George Vaughn provided an update on 2020 Power Charge Indifference Adjustment (PCIA) and Energy Resource Recovery Account (ERRA) by reviewing the background of PCIA-ERRA; and, providing Staff's preliminary analysis and potential scenarios (1-3).

Director Carson noted that there was conflicting information between the Board packet and the slides regarding Scenario #3. He asked that the correct information be provided to the Board. Staff will forward the correct information to the Board.

Director Frerichs noted for the benefit of the new Board Members that the uncertainty of PCIA and ERRA rates have been an issue that this Board has dealt with in the past. Projections are provided by Staff, but they are just that - projections. Staff and the Board look at worst case scenarios to be prepared for whatever rates are set.

Director Stallard also noted that it is not sustainable to keep dismissing Community Choice Aggregate (CCAs), at some point the California Public Utilities Commission (CPUC) will need to recognize CCA's issues and work collectively together.

2019 Year-end
Review
(Informational)

This item was tabled to the next meeting scheduled in January 2020.



Election of VCE
Chair and Vice
Chair (Effective
January 2020)

Vice Chairperson Sandy announced that he is deferring becoming Chair in 2020 but recommended keeping jurisdictions in the seats. Director Sandy made a motion to appoint Board Member Don Saylor (Yolo County Supervisor) as Chair and Dan Carson (Davis Councilmember) as Vice Chair. Motion seconded by Director Frerichs. Motion carried by the following vote:

AYES: Stallard, Sandy, Frerichs, Carson, Saylor, Cowan, Loren

NOES: None

ABSENT: Barajas

ABSTAIN: None

Director Frerichs also would like to see a City of Winters Board Member become Vice Chair the following year, in 2021.

Board Member and
Staff
Announcements

Director Frerichs asked that the status of the SACOG grant be added to the calendar.

Chairperson Stallard thanked staff for their work and specifically thanked Gary Lawson for all of his work over the years and congratulated him on his retirement.

Mr. Sears congratulated the Board as VCE is three (3) years old this evening. Mr. Sears also wanted to acknowledge all of Gary Lawson's work over the years.

Adjournment

Chairperson Stallard adjourned the meeting at 7:26 p.m. to the next meeting scheduled for Thursday, January 9, 2020 at 5:30 p.m. at the City of Woodland Council Chambers, 300 1st Street, Woodland, California.

Alisa M. Lembke
VCEA Board Secretary

