



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS MEETING
THURSDAY, FEBRUARY 13, 2020**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting scheduled for Thursday, February 13, 2020 at 5:30 p.m. at the City of Davis Community Chambers, located at 23 Russell Blvd., Davis, California 95616. Chairperson Don Saylor established that there was a quorum present and began the meeting at 5:32 p.m.

Board Members Present: Don Saylor, Dan Carson, Tom Stallard, Lucas Frerichs, Gary Sandy, Wade Cowan, Jesse Loren, and Angel Barajas (arrived at 5:36 p.m.)

Associate Members Present: Beverly Sandeen

Members Absent: None

Associate Members Absent: Christopher Cabaldon

Approval of Agenda Chair Saylor introduced Gordon Samuel, VCE's newest employee, who is the Assistant General Manager / Director of Power Services. Motion made by Director Sandy to approve the consent agenda with the modification that item 9d – SB 917 legislative bill be tabled to the March regular Board meeting, seconded by Director Frerichs. Motion passed with Director Barajas absent.

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

CLOSED SESSION: Conference with Legal Counsel – Anticipated Litigation The Board adjourned their meeting to go into Closed Session at 5:35 p.m. Director Barajas arrived at 5:36 p.m. The Board returned to their regular Agenda at 6:12 p.m. Chairperson Saylor reported that the Board had no reportable action out of closed session. Chairperson Saylor then moved on to the Consent Agenda.

Recognition of past Chair Gerry Braun and past Vice Chair Christine Chairperson Saylor introduced this item to recognize past Chair Gerry Braun of the Community Advisory Committee. Each Board Member read a section of the recognition resolution to those present. Gerry Braun thanked those present.

Shewmaker for their service on the Community Advisory Committee Chairperson Saylor introduced Christine Shewmaker to recognize her work as past Vice Chair of the Community Advisory Committee. Each Board Member read a section of the recognition resolution to those present. Christine Shewmaker thanked those present.



Approval of
Consent Agenda /
Resolutions 2020-
002 through 2020-
006

Chairperson Saylor informed those present that in Item 12 – Keyes & Fox agreement, Exhibit D had a slight addition and small typo change from “2019” to “2020” but not substantial to the amendment. Motion made by Director Barajas to approve the consent agenda items as amended, seconded by Director Stallard. Director Carson asked that VCE Staff provide the specific financial impact to VCE’s budget of Item 12 – Keyes & Fox and Item 13 – Best Krieger amendments. Motion passed unanimously. The following items were approved:

5. January 9 ,2020 Board Meeting Minutes;
6. Received 2020 Long Range Calendar;
7. Received Financial Updated – December 31, 2019 (unaudited) financial statement;
8. Received February 6, 2020 Regulatory update from Keyes & Fox;
9. Received Legislative Update and approved support of AB 1567, SB 378 as amended, and SB 804 as amended;
10. Received February 6, 2020 Customer Update;
11. Received Community Advisory Committee January 23, 2020 Meeting Summary;
12. Contract Amendment Two (2) to extend the contract of regulatory council Keyes & Fox agreement via Resolution 2020-002;
13. Contract Amendment One (1) to increase the rate for co-general counsel Best Best & Krieger agreement via Resolution 2020-003;
14. Ratified Amendment 14 to Task Order 3 of the SMUD agreement and approved Amendment 15 to Task Order 4 to SMUD agreement via Resolution 2020-004;
15. Change to employee medical benefits offered by Valley Clean Energy and updated those changes in the Employee Handbook via Resolution 2020-005;
16. Revision to Item #4 of the Net Energy Metering Policy; and,
17. Valley Clean Energy Sponsorship Program Guidelines via Resolution 2020-006.

Power Purchase
Agreement /
Resolution 2020-
007

VCE Staff Gordon Samuel introduced this item. He introduced several people who were present at the meeting and who would be available to answer questions after Mr. Samuel reviews the slides. Mr. Samuel provided the background of the work done for the Power Purchase Agreement. Questions were asked about credit support, expansion of existing site, permitting, term and termination clause, impact to surrounding area, ownership of the project and not the land, and site condition/state of site.

Director Frerichs made a motion to approve the Power Purchase Agreement (PPA) with Aquamarine westside, LLC for the purchase by VCE of a 50 MW share of the 250 of the 250 MW Aquamarine Solar Project under development by Westlands Solar Park, LLC and authorize the Interim General Manager to execute the PPA substantially in the form attached and, in consultation with general Counsel, to make minor changes to the PPA so long as the term and price are not



changed, seconded by Director Barajas. Motion passed as Resolution 2020-007 by the following vote:

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

NOES: None

ABSENT: None

ABSTAIN: None

Introduction of planning process for the development of the Strategic Plan

Chairperson Saylor introduced VCE Staff George Vaughn. Mr. Vaughn reviewed slides that included: background, draft purpose, cadence and key roles, proposed tentative schedule, and direction of next steps. Staff is looking for approval of the strategic plan development process and timeline and to direct the VCE Board Subcommittee and start to develop a strategic plan for consideration by the fully Board by mid-2020. Chair Saylor noted that the timeline will need to be revised to accommodate Board members' schedules as there should be a representative from each agency at the meeting. He commented that there has been some difficulty in scheduling a meeting the week of February 24th. Board Members commented that they would like to see stakeholder/customer feedback, a customer panel formed, a stakeholder process to gather the public's feedback, the timing is right for VCE to do the Strategic Plan, and the importance of engaging others in the process.

Director Carson made a motion to approve the strategic plan development process and timeline as amended to accommodate the date of the first workshop and direct the VCE Board Subcommittee and staff to develop a strategic plan for consideration by the full Board by mid-2020, seconded by Director Loren. Motion passed by the following vote:

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

NOES: None

ABSENT: None

ABSTAIN: None

PG&E allocation of Greenhouse (GHG)-free resources to Community Choice Aggregators

Chairperson Saylor introduced Bill Her of SMUD. Mr. Her reviewed the background on what is greenhouse (GHG)-free, 2020 goals of VCE, VCE's current resource portfolio standard (RPS) and GHG-free procurement, and PG&E submitting an advice letter to the California Public Utilities Commission (CPUC) offering large hydro and nuclear GHG-free attributes to load serving entities (LSE), which includes CCAs. Mr. Her reminded those present that CCA customers are already paying for the GHG-free attributes through the Power charge Indifference Adjustment (PCIA), but that PG&E receives the benefit of claiming the GHG-free. Mr. Her emphasized that VCE has procured all needed RPS and GHG-free to meet its 2020 goals. Mr. Her reviewed the key elements of PG&E's offer. Lastly, Mr. Her interprets PG&E's proposal is to offer the GHG-free attributes only for 2020, but the LSE/CCA would waive their right to contest in 2020. Mr. Her reviewed several scenarios with the financial impacts and factors to consider if VCE were to accept the attributes.



The Board Members discussed: whether this is the framework that CCAs will be dealing with in the future, effects on power content label, market viability of attributes, and reputation.

Public comments:

Yvonne Hunter, Chair of the CAC, commended Staff's report on this item in the Board's packet as reflective of the CAC's discussion and decision. In general, the CAC was concerned about VCE's reputation if nuclear attributes were taken, fiscal and rate impacts, and fiscal responsibility to VCE's customers.

Christine Shewmaker, CAC member, commented that PG&E has had a long wavering history on the subject of large hydro and nuclear attributes and they have worked hard to have these costs included in the PCIA. These are the reasons why she voted no to the offer from PG&E. She recommended that the Board be cautious and wait until the March Board meeting to make a decision since the letter has not come out.

Gerry Braun, CAC member, commented that he voted "no" as he would like VCE to get both (large hydro and nuclear) GHG-free attributes for the potential of selling it. Then, using the money for projects that VCE would not normally be able to do financially.

Additional comments were made by the Board on: taking on nuclear, VCE's reputation, the need for VCE to reach its reserve goals, effects on opt outs, the economics of making this decision, what other CCAs are doing on this subject, and getting more information on PCIA and ERRA.

Chairperson Saylor tabled this item to the Board's March meeting; however, if a decision needs to be made sooner, then a special meeting can be scheduled.

Update on PCIA
and ERRA
(Informational)

Director Frerichs requested that Staff define what Power Charge Indifference (PCIA) is, which VCE Staff George Vaughn defined to those present. Director Frerichs informed those present that PCIA is reflected in VCE's rates.

George Vaughn reviewed slides: background; PCIA volatility; PCIA effect on VCE revenue scenarios 1 (CPUC Cap), 2 (Mid-Range), and 3 (High-Range); preliminary analysis, and conclusions.

There were no public comments.

Board Members commented on: the importance of legislative involvement in the PCIA; if the rates increase the effects on customers and opt out rates; other ideas on how to mitigate effects to customers, such as possibly using UltraGreen



monies, if possible; and, the possibility of an aggressive campaign to get those customer who have opted out to opt back in.

Update on SACOG
Electric Vehicle
Charging
Infrastructure
Grant
(Informational)

VCE Staff Jim Parks reviewed the background on the SACOG grant and provided an update of events. He informed those present that MOUs are under development between the City of Davis, who will be taking the lead, and the City of Woodland, Yolo County and VCE. He informed those present that the original match requirement of 11.47% from the Grantee is no longer required by SACOG and the expiration date of the grant is 12/31/2023. He reviewed funding allocations to each agency and the schedule.

The Board discussed the schedule and a few questions were asked. The Board would like the timelines to be moved up. The Board requested that the individual agencies provide a more aggressive timeline to VCE staff for the Board's information.

Status update and
next steps on the
potential
acquisition of
PG&E's local
electricity
distribution system
(Informational)

Harriet Stienen of Best and Krieger provided a brief update on the potential acquisition of PG&E's local electricity distribution system.

Board Member and
Staff
Announcements

Director Carson informed those present that he travelled to a traveled to a 2020 Legislative Press Conference. Associate Director Sandeen informed those present that she attended a special City Council meeting - planning session of which energy reliance was on their agenda.

Adjournment

Chairperson Saylor adjourned the meeting at 7:52 p.m. to the next (special) meeting scheduled for Thursday, March 12, 2020 at **4:00 p.m.** at the City of Woodland Council Chambers, 300 1st Street, Woodland, California.

Alisa M. Lembke
VCEA Board Secretary

