



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS SPECIAL MEETING
THURSDAY, MARCH 12, 2020**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their special meeting scheduled for Thursday, March 12, 2020 at 4:00 p.m. at the City of Woodland Council Chambers, located at 300 1st Street, Woodland, California 95695. Chairperson Don Saylor established that there was a quorum present and began the meeting at 4:03 p.m.

Board Members Present: Don Saylor, Dan Carson, Lucas Frerichs, Gary Sandy, Wade Cowan, Jesse Loren, Angel Barajas (left at 5:45 p.m.)

Associate Members Present: Beverly Sandeen

Members Absent: Tom Stallard

Associate Members Absent: Christopher Cabaldon

Approval of Agenda #1 and #2 Motion made by Director Carson to approve both agendas, seconded by Director Loren. Motion passed with Director Stallard absent.

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

CLOSED SESSION: The Board adjourned their meeting to go into Closed Session at 4:04 p.m. The Board returned to their regular Agenda at 4:52 p.m. Chairperson Saylor reported that the Board had no reportable action out of closed session. Chairperson Saylor opened up the floor again for public comment, no public comment. Chairperson Saylor then moved on to the Consent Agenda.

Approval of Consent Agenda / Resolutions 2020-009 through 2020-011 Motion made by Director Frerichs to approve the consent agenda items, seconded by Director Sandy. Motion passed with Director Stallard absent. The following items were approved and/or received:

5. February 13 ,2020 Board Meeting Minutes
6. 2020 Long Range Calendar
7. Financial Updated – January 31, 2020 (unaudited) financial statement.
8. March 5, 2020 Regulatory update from Keyes & Fox;
9. March 4, 2020 Customer Update;
10. Community Advisory Committee February 5, 2020 special meeting and February 27, 2020 regular meeting summaries;
11. Update on SACOG grant schedule;
12. Amendment No. One to Pacific Policy Group contract for legislative support as Resolution 2020-009;



13. First Amendment to Boutin Jones agreement for legal services as Resolution 2020-010;
14. Amendment No. One to Victoria Zavattero contract for support services related to the acquisition of PG&E local distribution assets as Resolution 2020-011; and,
15. Entering into an agreement with Consultant LEAN Energy to assist in the process and development of a Strategic Plan.

Approve Support of
Legislation as
Indicated

Interim General Manager Mitch Sears introduced this item. He informed those present that VCE Staff, a few Board Members and Mark Fenstermaker of Pacific Policy Group (PPG) were at the capitol on Tuesday to attend the CalCCA Lobby Day. They met with various offices, including Senator Dodd's office. Mr. Fenstermaker reviewed the legislative bills that VCE Staff are looking for Board support on.

Chairperson Saylor asked Mr. Sears to explain VCE's legislative position process. Mr. Sears informed those present that there are provisions to allow the Board Chair and Vice Chair to take positions on behalf of VCE. The typical process is that after the Community Advisory Committee (CAC) Leg/Reg. Task Group reviews the bills, the bills are brought to the CAC for a position recommendation to the Board. Sometimes, such as this, timing is an issue and the bills go directly to the Board with a Staff recommendation for a position.

Director Cowan had a question about SB 917. Chairperson Saylor allowed for motions. Director Barajas made a motion to support SB 947, AB 2689, and AB 3014 as recommended, seconded by Director Frerichs. Motion passed with Director Stallard absent.

Mr. Fenstermaker reviewed SB 917, informing those present that the bill is sponsored by Senator Wiener, who is proposing, among other items, a public takeover of PG&E via eminent domain. Director Cowan informed those present that currently, the bill addresses both electricity and gas. He reminded those present that PG&E built a large gas operations and training facility in the City of Winters, which is an economic benefit to the City. Until the City has more information about this bill, as a Board Member he cannot support this bill. Director Loren asked if there is a possibility to decouple the gas from the electric. Mr. Fenstermaker agreed that a conversation with Senator Wiener's office regarding this issue should occur. He also noted that possibly there are creative ways to fold into the bill language the protection of the building.

Director Frerichs reminded those present that it was early in the legislative year. He suggested that the Board wait on making a position and wait to see how it unfolds. He supports PPG raising the issue with the offices of Senator Wiener and Assemblymember Aguiar-Curry.



Chairperson Saylor tabled the Board taking a position on SB 917. In addition, Chairperson Saylor asked that VCE Staff prepare a set of principles/strategies/targets for further conversations on proposed legislation.

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

Mr. Sears provided an update on PCIA and ERRA by reviewing the background, current PCIA expectations/status, 2021 fiscal year PCIA impact, and potential mitigation strategies. Mr. Sears informed those present that East Bay Power is looking at a better PCIA model for outlining years. VCE is working with East Bay on this. Chairperson Saylor asked when decisions need to be made. Mr. Sears informed those present that discussing these issues during the budget process and making policy decisions should occur prior to January 2021.

Comments from the Board were provided, such as, the idea of holding VCE's rates rather than going down with PG&E's rates; looking at the risks of losing customers and what market approach should be taken to prevent this from happening; and, weighing the cost of service with Customers' priorities. Mr. Sears informed those present that another Community Choice Aggregate (CCA) prepared a 5 year plan, including marketing generation rate increases; then conducted community outreach and asked Customers their top 10 priorities. What the CCA found was that low rates did not make it into the top 10 of priorities. Lastly, a comment was made about rates and losing customers and that one CCA, which accepted GHG-free attributes of hydro, not nuclear, from PG&E will be spending money to make up the difference.

Review and Provide Feedback on the Preliminary Draft Fiscal Year 2020-2021 Operating Budget (Informational)

Mr. Sears reviewed the background of the FY19-20 operating budget - actual and forecast, preliminary budget FY 20-21, preliminary budget – rate impacts, power costs/mix, other operating expenses, mitigation strategies, and conclusions. VCE Staff will be presenting updates at the next few meetings with the final adoption by the Board at the June meeting.

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

VCE Staff Gordon Samuel informed those present that the California Public Utilities Commission (CPUC) has not made a decision on the GHG-free attributes allocation offer from PG&E. Chairperson Saylor tabled this item.

Introduction on Local / Regional Renewable Energy Request for Offers (RFO) Solicitation (Informational)

Mr. Sears introduced this item and informed the Board that Staff are looking for final direction from the Board at their next meeting. VCE Staff Gordon Samuel informed those present that the recently signed Power Purchase Agreement (PPA) and an additional upcoming PPA are not local. He informed those present that the CAC has reviewed and provided feedback on the draft request for offers (RFO), including the criteria. The CAC's input has been incorporated into the



criteria presented to the Board. This is a local solicitation, with the goal of it being advertised in April. Mr. Samuel reviewed the background and high level guidance items, then reviewed each of the following criteria:

1. Local/Regional resources
2. Prior land use
3. Located in pre-screened energy development areas
4. Level of completeness of permits
5. Grid interconnection status
6. Site control
7. Multi-benefit renewable energy

Board Members commented that the criteria looks good and wanted to know if projects with storage would give VCE more flexibility. Mr. Samuel informed those present that most solar developers like to install storage and anticipates that many of the projects will include storage.

Update on Planning Process for the Development of a Strategic Plan for Valley Clean Energy (Informational)

Chairperson Saylor tabled this item as the strategic plan process is being rescheduled with the cancellation of the March 23, 2020 special meeting / Strategic Planning Workshop. Mr. Sears informed those present that LEAN Energy assisted with preparing a worksheet, "homework" for the Board. VCE Staff will be sending out to the Board Members this worksheet, with directions, for the Board Members to work on in the meantime.

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

Mr. Sears informed those present that VCE Staff are actively monitoring this item and will continue to do so.

Special Meeting #2 Agenda / Special Authority for General Manager in the event the Board is not able to meet due to the COVID-19 Emergency / Resolution 2020-008

Mr. Sears introduced this item informing those present that the resolution before the Board is to address continuity of business operations during the COVID-19 Emergency. This is to continue basic operations if the Board is unable to meet.

Motion made by Director Sandy to approve of the resolution giving special authority to the Interim General Manager in the event the Board is not able to meet due to the COVID-19 emergency, seconded by Director Frerichs. Motion passed as Resolution 2020-008 by the following vote:

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

NOES: None

ABSENT: Stallard, Barajas

ABSTAIN: None



Board Member and Staff Announcements Director Cowan informed those present that he and Director Loren attended the Yosemite Policymakers Conference as part of the Local Government Commission in Yosemite National Park in early March. There was a lot to talk about and noted that CPUC Commissioner Martha Guzman Aceves spoke at the event.

Adjournment Chairperson Saylor adjourned the meeting at 6:02 p.m. to the next meeting scheduled for Thursday, April 9, 2020 at 5:30 p.m.; however, this meeting will most likely be held telephonically.

Alisa M. Lembke
VCEA Board Secretary

