



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS SPECIAL MEETING
THURSDAY, MAY 14, 2020**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their special meeting scheduled for Thursday, May 14, 2020 at 4:00 p.m. via teleconference. Chairperson Don Saylor established that there was a quorum present, began the meeting at 4:01 p.m., and announced that this meeting was being recorded.

Board Members Present: Don Saylor, Dan Carson, Tom Stallard, Wade Cowan, Gary Sandy, Lucas Frerichs, Angel Barajas, Jesse Loren

Associate Members Present: Beverly Sandeen, Christopher Cabaldon

Members Absent: None

Associate Members Absent: None

Approval of Agenda VCE Interim General Manager Mitch Sears informed the Board that regular agenda item 13 – Rugged Power Purchase Agreement is tabled until the June 11th Board meeting. Motion made by Director Stallard to approve the May 14, 2020 agenda with item 13 removed from the agenda, seconded by Director Sandy. Motion passed.

Public Comment Chairperson Saylor opened the floor for public comment on items not listed on today's agenda. Public comments are summarized below.

Charlene Henwood provided a verbal comment on VCE's involvement between the City of Davis and a developer of a potential solar power facility on a site located next to the Yolo County landfill. The way the potential opportunity was handled was a missed opportunity by VCE and should be looked into.

Matt Williams provided a verbal comment about how the City of Davis and VCE missed an opportunity to have low cost, clean, low carbon power, controlled locally. Instead, the City signed an agreement with BrightNight.



Alan Pryor provided a verbal comment asking that the Board investigate VCE's role in facilitating the introduction of BrightNight to the City of Davis and VCE disclosing to BrightNight that VCE was preparing for a future request for offer. This information was not disclosed to any other solar providers. He asks that the Board establish procedures for VCE staff to follow should any future unsolicited introductions be received.

Scott Steward Rex provided a verbal comment regarding the lease agreement that was entered into between City of Davis and BrightNight in March 24, 2020. He feels that this agreement may tinge VCE's reputation and has caused concern to the public and ratepayers. It is suggested that if BrightNight submits an application to VCE in response to the RFO, that the Board direct staff to ask BrightNight to go back to Davis to renegotiate their lease with the City in such a way that it is public and verified.

Yvonne Hunter provided a verbal comment on the (BrightNight) comments tonight and what has been written in the press about the lease agreement between the City of Davis and BrightNight. She thought it was ironic that those who have criticized Davis with a sole source and those that also want VCE to do a sole source agreement with BrightNight. People cannot have it both ways. She commented that VCE's request for offers were developed over a number of months with input from the Community Advisory Committee. She stated that she has complete faith and trust in the VCE staff and the Board to evaluate everything. She does not think that it is VCE's role to direct the City of Davis.

Kevin Scott provided a verbal comment about the BrightNight deal and the bid to VCE. He thinks that the City of Davis should renegotiate its lease agreement with BrightNight and to make the process transparent. He recommended that the City review the recommendations by the Davis Utility Commission. When that process is complete and after review by the citizens, then should VCE consider any BrightNight bids.

Lucia Kaiser provided a verbal public comment echoing what has been said earlier. She stated that the process that BrightNight used has not been adequate. She is asking that VCE staff direct BrightNight to go back to the City to negotiate a deal that is fair and transparent.

No other verbal comments. There were no written comments received. VCE Interim General Manager Mitch Sears had a general comment on this topic. VCE has a request for offer (RFO) out and has been receiving



interest. The origin dates back more than a year and goes back to the beginning of VCE's establishment when the Board adopted VCE's mission and vision that directed interest in procurement of local renewable sources.

**Approval of
Consent Agenda**

Chair Saylor asked if there were any items the Board wished to pull from the consent agenda or if there were any changes. There being none, a motion was made by Director Frerichs to approve the consent agenda, seconded by Director Carson. There was not public comment on the consent agenda.

Motion passed unanimously. The following items were approved and/or received:

4. April 9, 2020 special Board meeting Minutes;
5. 2020 Long Range Calendar;
6. Financial Updated – March 31, 2020 (unaudited) financial statement;
7. May 6, 2020 Regulatory update from Keyes & Fox;
8. Legislative Update;
9. May 6, 2020 Customer Update;
10. Receive Community Advisory Committee April 23, 2020 meeting summary;
11. Approve Power Purchase Agreement between Valley Clean energy and the Yolo County Flood Control & Water Conservation District (YCFWCWD) for the output of approximately 3 MW from the Indian Valley hydro facility; and
12. Amendment #16 to Task Order 2 of the Sacramento Municipal Utility District Professional Services Agreement for technology configuration of VCE's billing system to enable vintage year Power Charge Indifference Adjustment rates.

**Item 13: PPA –
Rugged Solar**

This item was tabled to the Board's June meeting.

**Item 14: Update
on PG&E's
commercial and
agriculture rates
(TOU rates)
(Informational)**

VCE Staff Jim Parks informed those present that the Board and Staff have been approached by the public about agriculture rates. Mr. Parks provided a high level overview on where the rates are going. He informed those present that Pacific Gas & Electric (PG&E) is changing time of use (TOU) rates for all commercial and agricultural customers becoming mandatory for eligible customers in March 2021. He provided a comparison chart showing PG&E's current plan and the new plan. He informed those present that VCE matches PGE rates and VCE is currently



offering the new rates to customers. There were no questions from the Board and no public comments.

Item 15: Receive Analysis on PG&E's offer to allocate GHG-free attributes to CCAs and approve recommendation

VCE Staff Gordon Samuel reviewed the background on this item and provided an update on PG&E's proposal offer to allocate GHG-free attributes (large hydro and nuclear). He informed those present that on May 7, 2020 the California Public Utilities Commission (CPUC) approved PG&E's advice letter of this offering. Mr. Samuel reviewed the potential savings for VCE and considerations of each scenario. A discussion occurred about what decisions have other Community Choice Aggregates (CCAs) made on this proposal. Mr. Samuel reported that the decisions have varied, many have chosen both attributes, some large hydro only. Mr. Sears added that a slight majority of CCAs are not taking nuclear attributes.

It was also discussed the Board's decision could be a risk to VCE's reputation and budget, efforts to bring back those who have opted out of VCE to help with the budget, and, what other CCAs are doing with the revenue by enhancing programs and marketing efforts.

Chair Saylor asked if there was public comment. Written public comment was received by Mr. Richard McCann dated May 8, 2020, who was present at this meeting. Mr. McCann's written public comment, subsequent dialogue, and additional information was posted to the VCE website. Chair Saylor asked if Mr. McCann wanted to summarize his written comment. Mr. McCann did not since his written comments were summarized by VCE staff during the slide presentation on this item.

Christine Shewmaker provided a public comment reminding the Board that the Community Advisory Committee reviewed PG&E's offer at their February 2020 meeting. She voted to not take any attributes as she questions PG&E's motives and she is concerned about reputational risks.

There were no other public comments.

Director Frerich's made a motion to accept Staff's recommendation of accepting only the large hydro allocations; allow Interim General Manager to sign an agreement with PG&E for the GHG-free allocations; and, to revisit this topic as the CalCCA Power Charge Indifference Adjustment (PCIA) Working Group 3 finalizes the approval for 2021 and beyond, 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

Item 16; Update on Fiscal Year 20-21 preliminary Operating Budget, Load Forecast, and potential policy options to address possible future fiscal impacts related to COVID-19 and State regulatory actions (Informational)

Mr. Sears introduced this item and reminded the Board that VCE staff are not looking for a recommendation. A recommendation will be asked of the Board at their June meeting when the Board needs to adopt the fiscal year 2020-2021 Operating budget.

VCE Staff Jennifer Archuleta reviewed COVID and recession impacts by covering information on California's reopening roadmap, rate class contribution to VCE's load, different scenarios, and a scenario comparison chart.

VCE Staff George Vaughn provided an overview of the preliminary budget, including PCIA and generation rate, power costs/mix, impacts of COVID and recession, key assumptions, and budget scenarios. A discussion occurred on: projected deficits, amount available to VCE in their line of credit with River City Bank, the effects of PCIA on the budget, renewable resource contracts, and price of market power.

Mr. Sears reviewed the background of potential policy strategies. He also reviewed several options, which include CAC's feedback/assessment and Staff's assessment:

Option A – increase combined generation rates;

Option B – implement a third customer rate choice;

Option C – power resource planning adjustments;

Option D/E – accept the GHG-free large hydro and nuclear allocations.

Mr. Sears reiterated to the Board that options can be implemented individually or in combination.

Discussion on several topics occurred: Option B - social equity associated with this option and was this option explored by other CCAs; how COVID will affect communities differently; and, CARE and FERA programs.

Mr. Sears informed the Board that Staff will be looking for direction from the Board at the June meeting, which will be part of the operating budget discussion.



Comments were provided by the Board: generation rate tiers warrant further study; the importance of hitting hard with a campaign to return those customers that have opted out; and other ideas to explore: 1) PCIA lump sum to pay out through 2024 and 2) working with CalCCA or lobbyist at the legislative level. Other opinions were expressed: it is hard to decline attributes, such as nuclear GHG, which VCE has already paid for; rate increase would not be good for VCE; possibility of appealing the CPUC's decision on PCIA; and, pursuing CARES act monies.

Mr. Sears thanked the Board for their input and comments. He will come back with recommendations for consideration at the Board's next meeting. He also mentioned that Staff will ask that the CAC provide feedback.

There were no written or verbal comments.

Item 17: Status update and next steps on the potential acquisition of PG&E's local electricity distribution system (Informational)

Mr. Sears provided an update on the two proceedings ongoing at the CPUC 1) directly relates to PG&E bankruptcy reorganization and 2) Order Instituting Investigation (O.I.I.). VCE submitted comments in the first proceeding reflecting the Board's comments and VCE will be submitting comments to the O.I.I. proceeding.

Board Member and Staff Announcements

Mr. Sears informed those present that VCE Staff Tessa Tobar has been helping with the website and social media design. He provided some information about the increase in visits/views to VCE's website as a direct result of her efforts.

Mr. Sears reported that in 2018, VCE exceeded renewable portfolio standards above VCE's 42% goal, and in 2019 VCE is above 42%. VCE is also above in GHG savings.

Two request for offers (RFO) for renewables are being advertised currently – one RFO is a joint effort with Redwood Coast for energy storage for resource adequacy.

Lastly, Mr. Sears informed those present that a contract for electric



vehicle (EV) charging station located in the City of Winters as a part of the SACOG grant is ready to be signed.

Public Comment
on Closed Session
Items

Chairperson Saylor announced that the Board will be going into Closed Session and that it is anticipated that no reportable action will be taken in Closed Session.

Chairperson Saylor asked if there was any written or verbal comment from the public on any of the Closed Session items. There were no written or verbal public comments on the Closed Session items.

Adjournment

Chairperson Saylor adjourned the meeting at 5:56 p.m. to go into Closed Session.

CLOSED SESSION:
Conference with
Legal Counsel –
Anticipated
Litigation

The Board began Closed Session at 5: 58 p.m. and adjourned their Closed Session at 6:04 p.m. There was nothing to report out.


Alisa M. Lembke
VCEA Board Secretary

