



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS REGULAR MEETING
THURSDAY, OCTOBER 14, 2021**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting scheduled for Thursday, October 14, 2021 at 5:00 p.m., to be held via Zoom webinar. Chair Carson established that there was a quorum present and began the meeting at 5:01 p.m.

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

Members Absent: None

Welcome Chair Carson welcomed everyone.

Approval of Regular Meeting Agenda Motion made by Director Don Saylor to approve the October 14, 2021 meeting agenda, seconded by Director Jesse Loren. Motion passed unanimously.

Item 3: Authorize continuation of remote public meetings as authorized by Assembly Bill 361 Chair Carson opened the floor for public comment. There were no verbal or written public comments.

Motion made by Director Tom Stallard authorizing the continuation of remote (video/teleconference) meetings, including any standing or future committee(s) meetings and Community Advisory Committee meetings, by finding: 1) pursuant to Assembly Bill 361 (AB 361), that, as a result of the COVID pandemic, there is a proclaimed state of emergency and a local official has recommended measures to promote social distancing and 2) on July 29, 2021, the County Health Officer issued the attached Amended Order for Wearing of Face Coverings in Workplaces and Public Settings. Page 3, Section 7 of the Amended Order states that all persons should wear well-fitted face coverings and practice physical distancing. Further, on September 22, 2021, the Health Officer issued the attached memorandum, recommending that all Brown Act bodies continue to meet remotely. This motion was seconded by Director Lucas Frerichs. Motion passed by the following vote:

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

NOES: None

ABSENT: None

ABSTAIN: None

Chair Carson noted that the Board will need to address the continuation of remote meetings every 30 days.



Public Comment – General and Consent Chair Carson opened the floor for public comment for items not listed on the agenda and items listed on the Consent Agenda. There were no verbal or written public comments.

Approval of Consent Agenda Motion made by Director Jesse Loren to approve the consent agenda items, seconded by Director Frerichs. Motion passed unanimously. The following items were approved, ratified, and/or received:

5. September 9, 2021 Board meeting Minutes;
6. 2021 Long Range Calendar;
7. Financial Updated – August 31, 2021 (unaudited) financial statements;
8. Legislative Update from Pacific Policy Group;
9. October 7, 2021 Regulatory update provided by Keyes & Fox;
10. October 6, 2021 Customer Enrollment Update;
11. Community Advisory Committee September 23, 2021 meeting summary; and,
12. Customer Dividend and Programs Allocation report.

Item 13: Consider entering into a Power Purchase Agreement for renewable energy and capacity between VCE and Willow Springs Solar 3, LLC / Resolution 2021-020 Interim General Manager Mitch Sears introduced this item. VCE Staff Gordon Samuel reviewed background, RPS compliance need, project, key contract terms, project site, portfolio, and staff recommendation. Mark Osterhold and John Sterling of Leeward were present. Mr. Osterhold thanked those present and mentioned that this project is in its advanced construction phase; projects adjacent to this project are developed by Leeward; Leeward is very familiar with Kern County; and, they are looking forward to moving forward with VCE on this project.

Chair Carson opened the floor for written and verbal public comments. The following public comments were given.

Written public comment: Gerry Braun provided written public comment and an article via email on October 13, 2021. Board Clerk Alisa Lembke read his written public comment into the record and did not read the article into the record. Both items will be posted to the VCE website.

Verbal public comment: Christine Shewmaker, Community Advisory Committee Chair, thought it would be good to have the CAC review this item since the CAC is looking at VCE's renewable portfolio.

The Board asked questions and discussed several topics: state compliance requirements, value of input from the Community Advisory Committee, local projects, Board procurement policy, and renewable portfolio. Chair Carson suggested that the Board and CAC have future discussion(s) on procurement policy.

Motion made by Director Saylor to 1) approve the Power Purchase Agreement (PPA) by VCEA for 100% of the output for 15 years of the Willow Springs Solar 3 project under development by Leeward Renewable Energy (Leeward) and 2)



authorize the Interim General Manager to execute the PPA substantially in the form attached and authorizes the Interim General Manager, in consultation with General Counsel, to make minor changes to the PPA so long as the term and price are not changed. This motion was seconded by Lucas Frerichs. Motion passed as Resolution 2021-020 by the following vote:

AYES: Carson, Loren, Saylor, Stallard, Vega, Cowan, Frerichs, Sandy
NOES: None
ABSENT: None
ABSTAIN: None

Item 14: Receive draft Cost-Recovery based Customer Rate Structure.

Mr. Sears reminded the Board that there was no staff report provided on this item. Mr. Sears provided information via slides on the background, preliminary estimates of rate impact, suggested process, and next steps.

The Board discussed several items: financial model and analysis of that model, impact to the customer, Power Charge Indifference Adjustment (PCIA) and Resource Adequacy (RA) costs, and steps moving forward. There were no written or verbal public comments.

Director Loren made a motion to follow staff's recommendation to:

- schedule a Special Board Meeting in late October to consider initial corrective action on cost-recovery based rates for implementation in early November;
- have staff continue analysis of longer-term cost-recovery based rate structure for implementation in early 2022 (Feb);
- have staff present analysis and recommended cost-recovery based rate structure to CAC at October 28th meeting; and,
- staff to bring back analysis and recommended cost-recovery based rate structure/rates for consideration by the Board in November.

This motion was seconded by Director Frerichs. Motion passed by the following vote:

AYES: Carson, Loren, Saylor, Stallard, Vega, Cowan, Frerichs, Sandy
NOES: None
ABSENT: None
ABSTAIN: None

Item 15: Approve CAC At-Large Recruitment and Selection Guidelines and appointment to fill one At-Large seat. / Resolution 2021-021

Mr. Sears provided an overview of the staff report provided to the Board. There were no written or verbal public comments.

Motion made by Director Saylor to:

1. Adopt Resolution reaffirming the Board's September 9, 2021 action amending the structure of the Community Advisory Committee, establishing two seats for each member jurisdiction and three At-Large seats for a total of eleven seats; and establishing selection guidance criteria for the At-Large seats.
2. Update the Community Advisory Committee description and application to reflect the structure and selection guidance criteria for the At-Large seats.



3. Appoint existing CAC member Lorenzo Kristov to one of the At-Large seats. This motion was seconded by Director Loren. Motion passed as Resolution 2021-021 by the following vote:

AYES: Loren, Saylor, Stallard, Vega, Cowan, Frerichs, Sandy
NOES: None
ABSENT: None
ABSTAIN: Carson

Item 16: Receive report on concept to align VCE's Fiscal Year with the Calendar Year.

Director Stallard asked if this item could go directly to public comment and a possible motion, without Staff presenting slides. He felt that Staff presented information well in the staff report. There were no Board members who wished to discuss and/or ask questions. There were no written or verbal public comments.

Motion made by Director Frerichs for Staff to proceed with the possible change in accounting year from the current Fiscal Year ending on June 30 to a Calendar Year ending on December 31, seconded by Director Stallard. Motion passed by the following vote:

AYES: Carson, Loren, Saylor, Stallard, Vega, Cowan, Frerichs, Sandy
NOES: None
ABSENT: None
ABSTAIN: None

Item 20: Board Member and Staff Announcements

There were no Board or Staff announcements.

Chair Carson restated that a special meeting is to be scheduled at the end of October and ask for Board Members to get back promptly to Staff on their availability.

Chair Carson announced that the regular meeting scheduled for Thursday, November 11, 2021 is a holiday (Veteran's Day) and has been cancelled. The Board has scheduled a special meeting for Wednesday, November 10, 2021 at 5 p.m.

Adjournment

Chair Carson adjourned the regular Board meeting at 6:32 p.m.

Alisa M. Lembke
VCEA Board Secretary