

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 3

TO: Board of Directors
FROM: Alisa Lembke, Board Clerk / Administrative Analyst
SUBJECT: Approval of Minutes from February 9, 2023 meeting
DATE: April 13, 2023

RECOMMENDATION

Receive, review and approve the attached February 9, 2023 meeting Minutes.



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS REGULAR MEETING
THURSDAY, FEBRUARY 9, 2023**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting scheduled for Thursday, February 9, 2023 at 5:30 p.m., to be held at City of Davis Community Chambers located at 23 Russell Blvd., Davis, California 95616. Chair Tom Stallard established that there was a quorum present and began the meeting at 5:30 p.m.

Board Members Present: Tom Stallard, Jesse Loren, Will Arnold (departed at 6:38 p.m.), Lucas Frerichs, Richard Casavecchia, Bapu Vaitla, Mayra Vega

Members Absent: Gary Sandy

Welcome and Board Clerk Administering the Oath of Office Chair Stallard welcomed the Board and new members. The Board Clerk administered the Oath of Office to the following: Richard Casavecchia.

Public Comment – General and Consent Chair Stallard opened the floor for public comment on general items and Consent agenda items. There were no written or verbal public comment.

Chair Stallard thanked Jesse Loren for her service on the VCE Board serving as Chair in 2022.

Approval of Consent Agenda (Resolutions 2023-001 through 004) Motion made by Director Frerichs to approve the consent agenda items, seconded by Director Vega. Motion passed with Director Sandy absent. The following items were:

4. authorized to continue remote public meetings as authorized by Assembly Bill 361;
5. approved January 19, 2023 special Board meeting Minutes;
6. received 2023 Long Range Calendar;
7. received financial updates December 31, 2022 (unaudited) financial statement;
8. received Legislative update provided by Pacific Policy Group;
9. received January 2023 Regulatory update dated February 1, 2023 provided by Keyes & Fox;
10. received Community Advisory Committee January 26, 2023 meeting summary;
11. received SACOG Grant – Electrify Yolo Project update;



12. received 2023 Power Charge Indifferent Adjustment (PCIA) and Rates update;
13. approved VCE Employee Handbook updates as Resolution 2023-001;
14. approved amendment to Polaris agreement regarding the AgFIT dynamic pricing pilot as Resolution 2023-002;
15. approved First Principles Advisory (FPA) agreement to provide portfolio modeling services to assess increased renewables as Resolution 2023-003; and,
16. approved VCE-Redwood Coast Energy Authority (RCEA) Resource Adequacy (RA) swap agreements to satisfy a portion of RCEA's mid-term reliability requirement as Resolution 2023-004.

Item 17: Receive Legislative and Regulatory updates. (Information)

Executive Officer Mitch Sears introduced Mark Fenstermaker of Pacific Policy Group, VCE's lobbyist consultant, and Sheridan Pauker of Keyes & Fox / EQ Research, VCE's regulatory consultant.

Mr. Fenstermaker reviewed important legislative dates and deadlines; outlined changes in the Senate Energy, Utilities & Communications and Assembly Utilities & Energy; budget woes including a \$22.5 billion deficit; proposed cuts to allocations for energy programs; reviewed funding opportunities to Clean Energy Reliability Investment Plans; and, reviewed budget optimism: strategic investments in the agricultural and water sectors that reduce both peak electricity consumption and water use.

Ms. Pauker reviewed: compliance requirements and dockets; VCE's proposed expansion of AgFIT; incremental capacity procurement proposal in the Integrated Resource Planning (IRP) proposed decision; PCIA and Energy Resource Recovery Account (ERRA) rates updates; RPS Voluntary Allocation and Market Officer (VAMC) process; PG&E asset transfer application (transfer all non-nuclear to private to raise capital); Provider of Last Resort (POLR) staff proposal; and PG&E's Diablo Canyon closure (new) proceeding.

The Board and Staff discussed why there are non-supporters of VCE's AgFIT program and the need for more education and conversations about the program and dynamic pricing.

There were no verbal or written public comments.



Item 18: Receive and discuss Wholesale Energy Risk Management Policy proposed modifications. (Information/Discussion)

Assistant General Manager and Director of Power Resources Gordon Samuel reviewed the Wholesale Energy Risk Management Program organizational structure and reminded those present that a large part of VCE's budget is used for purchasing energy. Mr. Samuel stated that Staff, with the assistance of The Energy Authority (TEA), are proposing to update VCE's enterprise risk management (ERM) policies (procurement plan, directives and delegations, wholesale energy risk management policy, including Amendment #1) into one comprehensive document. Mr. Samuel introduced Jaclyn Harr of TEA, VCE's procurement specialist. Ms. Harr reviewed: VCE's risk management program for energy procurement; factors that influence procurement decisions; value of energy procurement risk management; and, energy hedging schedule.

The Board and Staff discussed VCE's membership of the Enterprise Risk Oversight Committee (EROC) and energy transaction volume and capacity transaction value limits of "positions" (VCE Board and Executive Officer, EROC, and wholesale energy provider). There were no verbal or written public comments.

Item 19: Receive annual Strategic Plan update. (Information/Discussion)

Mr. Sears introduced this item and provided an overview of the 3-Year Strategic Plan and key accomplishments in 2022. Mr. Sears reminded those present that the Plan runs through the end of 2023. In addition, based on the Board's feedback on the approach for extending the Strategic Plan beyond the end of 2023, Staff developed an action plan to adopt one-year "rolling" extensions each year. Mr. Sears reviewed the development process and timeline, which includes asking the Community Advisory Committee (CAC) to form a Task Group to provide feedback related to the development of a rolling Strategic Plan. Staff plans on returning to the CAC and the Board to present a final draft for Board adoption consideration by quarter 4 of 2023.

Will Arnold departed at 6:38 p.m.

There were no verbal or written public comments. The Board confirmed that they would like a rolling strategic plan developed.

Item 20: Board Member and Staff Announcements

Director Frerichs mentioned that it was that time of year to perform evaluations on VCE's Executive Director and Legal Counsel. He volunteered to serve on that committee.



Mr. Sears informed those present that he would be participating in CalCCA's Lobby Day on Wednesday, March 8th and invited Members to attend the Almond Festival held in Esparto scheduled for Sunday, February 26th. He announced that the Yolo County Planning Commission reviewed the Gibson project and that VCE's Electric Vehicle (EV) Rebate program monies have been distributed to several applicants.

Announcement
and Adjournment

Chair Stallard announced that the Board has scheduled their next regular meeting for Thursday, March 9, 2023.

Chair Stallard adjourned the regular Board meeting at 6:46 p.m.

Alisa M. Lembke
VCE Board Secretary