

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 4

TO: Board of Directors
FROM: Alisa Lembke, Board Clerk / Administrative Analyst
SUBJECT: Approval of Minutes from June 10, 2021 Board Meeting
DATE: July 8, 2021

RECOMMENDATION

Receive, review and approve the attached June 10, 2021 Board meeting Minutes.



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS REGULAR MEETING
THURSDAY, JUNE 10, 2021**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular and Special meetings scheduled for Thursday, June 10, 2021 at 5:00 p.m., to be held via Zoom webinar. Chair Dan Carson announced that the Special meeting will be held concurrently with the regular meeting. Chair Carson established that there was a quorum present and began the meeting at 5:00 p.m.

Board Members Present: Dan Carson, Jesse Loren, Tom Stallard, Don Saylor, Lucas Frerichs (departed at 5:55 p.m.), Wade Cowan, Mayra Vega

Members Absent: Gary Sandy

Welcome Chair Carson welcomed everyone. He read off an honorary Resolution thanking and recognizing Harriet Steiner's work as VCE's co-general legal counsel and recognizing her retirement. Board Members and Staff provided their comments and thanked her for all of her work.

Approval of Regular Meeting Agenda Motion made by Director Stallard to approve the June 10, 2021 meeting agenda, seconded by Director Frerichs. Motion passed with Director Sandy absent.

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. Board Clerk informed those present that there is a written public comment on Consent Item 10 – Staff Report on the Community Advisory Committee's May 27, 2021 meeting summary, specifically regarding the CAC's motion addressing policy strategies. The Board Clerk read the public comment from Mark Aulman into the record.

There were no verbal comments.

Approval of Consent Agenda (Resolutions 2021-012, 2021-013, and 2021-014) Motion made by Director Frerichs to approve the consent agenda, seconded by Director Loren. Motion passed with Director Sandy absent.

The following items were approved, ratified, and/or received:

4. May 13, 2021 Board meeting Minutes as corrected;
5. 2021 Long Range Calendar;
6. Financial Updated – April 30, 2021 (unaudited) financial statement;
7. Legislative Update from Pacific Policy Group;
8. June 3, 2021 Regulatory update provided by Keyes & Fox;
9. June 2, 2021 Customer Enrollment Update;
10. Community Advisory Committee May 27, 2021 meeting summary;
11. Extension of VCE opt-out fee waiver for one year until July 1, 2022;



12. Ratify Amendment 22 (Net Energy Metering Donation Program web format) via Resolution to Task Order 2 of the SMUD agreement as Resolution 2021-012;
13. Amendment 4 to Keyes & Fox agreement providing special legal counsel to VCE; extending services through June 30, 2022; and, modifying Exhibits to the agreement as Resolution 2021-013; and,
14. An agreement with Richards, Watson and Gershon for general counsel services expiring December 31, 2024 as Resolution 2021-014.

Item 15: Consider Adoption of the Fiscal Year 2021-2022 Operating Budget and extension of the policy to reduce procurement of short-term renewable resources for Fiscal Year 2021-2022. (Resolution 2021-015)

Interim General Manager Mitch Sears introduced this item and VCE Staff Edward Burnham reviewed background of Budget development. VCE Staff Gordon Samuel reviewed slides summarizing Power Content Policy background, historical renewable power content, power content outlook in 2021-2022, options to consider of power content policy strategy and RPS compliance, reduced long-term RA exposure, and summarized the recommendation of the Community Advisory Committee (CAC) on policy strategy adjustments. Mr. Burnham summarized FY 21-22 Budget options based on rate adjustments, Options 1 through 3. Mr. Burnham reviewed Staff's recommendation as stated below. Mr. Sears emphasized that VCE's policy is to follow PG&EW's rates and that CCA's have limited information on where IOU's rates, such as PG&E, will land in the future. Staff share the CAC's recommendation about being prudent and taking a cautious approach financially.

Lucas Frerichs departed at 5:55 p.m. approximately.

There were no written public comments.

Verbal Public comment was provided:

Christine Shewmaker, as VCE's CAC Chair, wanted to provide the Board with a brief overview of the flavor of the CAC's lengthy discussion on this topic at their last meeting. In addition to considering load data, COVID impacts, budget forecast, and power content strategies that were presented well by Staff, some CCA Members also mentioned some items, which were not voted on, but she wanted to outline a few bullet points to give the Board an idea of the discussion:

- There are certainly some budget uncertainties, some of which have been mentioned; also those relating to weather, timing and amount of production from the power purchase agreements (PPA's), and any money refunds that may cover non-paying accounts during COVID.
- There was concern about the message to the Community and opposition - clean energy and climate change were and are integral to our purpose and founding.
- This discussion highlighted the need for interaction and lobby at the CPUC (California Public Utilities Commission) and other bodies and agencies



relating to the PCIA (power charge indifference adjustment) and the overall value that CCA's bring to clean energy and the climate battle.

- There is a need for contingency planning due to so many variables out there. It was good to see the various and different rate contingencies but there are also other contingencies out there.

The CAC took this discussion very seriously and all Members who were in attendance gave their opinion and input. Lastly, all felt it was important to continue to review the budget and issues every three months due to all of the uncertainties.

Director Stallard thanked Staff and the CAC for their thoughtful examination of the issues and for their recommendation. Director Stallard made a motion to:

1. Extend the policy strategy adjustments approved by the Board last June one year to reduce procurement of short-term renewable resources (RECs) to partially mitigate financial impacts of rising Power Charge Indifference Adjustment (PCIA) and Resource Adequacy (RA) costs in fiscal year 2021-2022.
2. Approve FY 2021-2022 Operating Budget Option 1 with \$51.2M of operating revenues and \$58.1M of operating expenses.

Director Saylor seconded this motion.

Chair Carson thanked everyone and agreed that reviewing the budget and related issues every few months would be beneficial. He stated that he was happy to hear that SB 612 was moving forward and that conversations with the legislature have begun and are moving forward.

Motion passed by the following vote:

AYES: Carson, Loren, Saylor, Stallard, Vega

NOES: Cowan

ABSENT: Sandy, Frerichs

ABSTAIN: None

Item 16: Consider adoption of the VCE Draft 3-Year Programs Plan and the process by which programs are selected for implementation

Mr. Sears introduced VCE Staff Rebecca Boyles who reviewed programs plan design and review process, overview and background leading up to the draft Programs Plan, and proposed programs and implementation process.

VCE Staff Tessa Tobar reviewed 3 year Programs Plan elements, phases, criteria definitions and weight.



and implementation of proposed program for residential demand response.

Ms. Boyles reviewed the program from OhmConnect (recipient of a CEC grant) - a demand response (DR) and free thermostat pilot program for residential customers.

Ms. Boyles reviewed next steps of the Programs Plan implementation process and implementation forms for program concepts.

There were no verbal or written public comments.

Director Jesse Loren made a motion to:

1. Adoption of VCE's 3-Year Programs Plan, including the process by which programs are selected by VCE for implementation.
2. Approve Demand Response and Free Thermostat for Residential Customers pilot program.

Motion seconded by Director Mayra Vega. Motion passed by the following vote:

AYES: Carson, Loren, Saylor, Stallard, Vega

NOES: Cowan

ABSENT: Sandy, Frerichs

ABSTAIN: None

Item 17: Board Member and Staff Announcements

There were no announcements from the Board.

Mr. Sears informed those present that SB 612 is moving forward in the legislative process and CCA's are looking at bolstering letters of support for submittal by the community. VCE and CalCCA continue to track Western Energy's bankruptcy. Mr. Sears reported that the City of West Sacramento recently endorsed via resolution the electrification of new construction. Mr. Sears informed those present that VCE Staff Tessa Tobar will be leaving VCE to pursue her career at another CCA. Ms. Tobar thanked the Board, CAC and Staff for all of their support and community involvement.

The next Board meeting is scheduled for July 8, 2021 at 5 p.m. via Webinar/teleconference.

Adjournment

Chair Carson adjourned the regular Board meeting at 6:31 p.m.

Alisa M. Lembke
VCEA Board Secretary