

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 4

TO: Board of Directors
FROM: Alisa Lembke, Board Clerk / Administrative Analyst
SUBJECT: Approval of Minutes from July 14, 2022 meeting
DATE: September 8, 2022

RECOMMENDATION

Receive, review and approve the attached July 14, 2022 meeting Minutes.



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS REGULAR MEETING
THURSDAY, JULY 14, 2022**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting scheduled for Thursday, July 14, 2022 at 5:00 p.m., to be held via Zoom webinar. Chair Loren established that there was a quorum present and began the meeting at 5:03 p.m.

Board Members Present: Jesse Loren, Tom Stallard, Dan Carson, Lucas Frerichs (departed at 6:30 p.m.), Mayra Vega (arrived during closed session), Angel Barajas (Alternate Yolo County)

Members Absent: Don Saylor, Wade Cowan, Gary Sandy

Welcome Chair Loren welcomed everyone.

Approval of Agenda Chair Loren asked that the Board approve the agenda. Director Stallard made a motion to approve the July 14, 2022 agenda, seconded by Director Barajas. Motion passed with Directors Saylor, Sandy and Cowan absent.

Public Comment – General, Consent, and Closed Session There were no verbal or written public comments on general items, consent items or Closed Session at this time. Please see written public comment section on page 4, when a written public comment was acknowledged as received and recorded into the Minutes.

CLOSED SESSION Chair Loren announced that the Board will go into Closed Session. It is anticipated that there will be nothing to report out. The Board convened into Closed Session at 5:06 p.m. The Board reconvened into the regular Board meeting at 5:36 p.m.

Reconvened into regular Board meeting Chair Loren announced that there was nothing to report out from Closed Session. VCE Executive Officer introduced VCE’s intern Scott Adler to the Board and those present.

Approval of Consent Agenda / Resolution 2022-018 through Resolution 2022-020 Chair Loren announced that there is a correction to Item 11 – quarterly Customer Enrollment update on page 1, slide 1 of the report. Corrections will be made and the report will be distributed to the Board and posted to the website. Motion made by Director Frerichs to approve the consent agenda items, seconded by Director Barajas. Motion passed with Directors Saylor, Sandy and Cowan absent. The following items were:
5. Authorized to continue remote public meetings as authorized by Assembly Bill 361;
6. Approved June 9, 2022 Board meeting Minutes;
7. Received 2022 Long Range Calendar;
8. Received Financial Updates – May 31, 2022 (unaudited) financial statements;



9. Received July 6, 2022 Regulatory update provided by Keyes & Fox;
10. Receive Community Advisory Committee June 23, 2022 meeting summary;
11. Received quarterly (April – June) Customer Enrollment update and will await update on page 1, slide 1 of the staff report;
12. Received update on SACOG Grant – Electrify Yolo Project;
13. Received memorandum on Donald Dame agreement for consulting services approving a 6 month extension and increasing the not to exceed amount;
14. Received copy of signed Amendment 4 to agreement with Jim Parks Consulting extending the contract to expire on December 31, 2022 and increasing the not to exceed amount;
15. Ratify signed agreement with First Principles Advisory for Integrated Resource Planning portfolio modeling services for a not to exceed amount of \$33,750 terminating on December 1, 2022 as Resolution 2022-018;
16. Approved Amendment 5 to Keyes & Fox agreement to extend 18 months through December 31, 2023 and increase the not to exceed amount as Resolution 2022-019;
17. Adopted VCE Debt Policy as Resolution 2022-020; and,
18. Reappointed David Springer (Winters), Mark Aulman (Woodland), and Cynthia Rodriguez (Yolo County); and appointed Rahul Athalye to the City of Davis seat on the Community Advisory Committee, each for a three (3) year term to expire June 2025.

As mentioned above, there were no verbal or written public comments.

Item 19: Approve Amendment 1 to the Power Purchase Agreement (PPA) with Resurgence Solar I, LLC related to price and terms. (Action) Resolution 2022-021

VCE Staff Gordon Samuel informed those present that Amendment 1 reflects some adjustments to the terms of the Resurgence Solar power purchase agreement executed in January 2021. This project is for 90 Megawatt (MW) photovoltaic and 75 MW battery storage facility located in San Bernardino County for a 20 year PPA. There have been some uncharacteristic and unique challenges facing the entire renewable industry, which has put pressure on the pricing and schedule of this project and others. VCE worked with the developer NextEra Energy Resources to amend the PPA adjusting the price, schedule, development securities, and developer contribution to program (workforce development and local sustainability) funding. This project provides 1/3 of our renewable energy, resource adequacy and mid-term reliability to VCE's portfolio. There were no questions from the Board. There were no verbal or written public comments.

Director Stallard made a motion to adopt a resolution authorizing the Executive Officer to (1) execute Amendment 1 to the Resurgence Solar 1 Power Purchase Agreement (PPA) substantially in the form attached and (2) authorizes the Executive Officer, in consultation with General Counsel, to make minor changes to the PPA Amendment 1 so long as the term and price are not changed. This motion was seconded by Director Carson. The motion passed as Resolution 2022-021 by the following vote:



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

Item 20: Consider participating in CC Power geothermal projects: A) Ormat Nevada Inc. and B) Open Mountain Energy, LLC (Action) Resolution 2022-022 and Resolution 2022-023

Mr. Sears introduced this item. Mr. Samuel informed those present that in September 2021 CC Power solicited proposals for Firm Clean Resources (FCR), for example geothermal or biomass, with a minimum 80% capacity factor. CC Power ran an analytics model, conducted interviews and negotiated with developers on two (2) projects: Open Mountain Energy LLC (OME) and a portfolio of projects from Ormat Nevada, Inc. (Ormat). The California Public Utilities Commission (CPUC) adopted the Mid-term Reliability Procurement Order (MTR) in June 2021, which requires Load Serving Entities (LSE's) to collectively procure 11,500 MW of new resources and some megawatts (4,500 MW) of obligation are subject to specific category requirements. The two projects being considered by the Board tonight would fulfill the need for FCR procurement category of the MTR Order. There were no verbal or written public comments.

Director Stallard made a motion to authorize the Executive Officer to execute on behalf of Valley Clean Energy as a member of CC Power the following agreements and any necessary ancillary documents for the geothermal projects with a delivery term of 20 years:

- a. Ormat Nevada Inc. (Ormat) Portfolio of Geothermal Projects
- b. Open Mountain Energy LLC., Fish Lake Geothermal (OME)

This motion was seconded by Director Frerichs. The motion passed as Resolution 2022-022 (Ormat Nevada Inc.) and Resolution 2022-023 (Open Mountain Energy, LLC) by the following vote:

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

Public Comment - General and Consent

Chair Loren announced that there was a written public comment submitted late today from James Skeen referring to a comparison between VCE and SunRun. Chair Loren wanted to acknowledge that a written public comment was received and have it documented in the Minutes. The written public comment stated that "I have received an offer from Sunrun to install additional PV on my home at no cost. I would be obligated to pay Sunrun \$0.103/kWh which is less expensive than VCE. Thought you should know. Signed Jim Skeen (not a VCE customer)." This written public comment will be distributed to the Board and posted to the VCE website.

Item 21: Consider proposed three-

Mr. Sears introduced this item. VCE Staff Edward Burnham provided a summary, background and a recap of the updated Customer Rate/Product



tiered Customer Rate Structure / Product options. (Action) Resolution 2022-024

Options – three tiers adding a third option called Base Green to the Standard Green (existing default) and UltraGreen (existing opt-up) options. If adopted, the three-tiered rate structure would be implemented in 2023 and incorporated into the 2023 Customer Rate Setting process. He noted that the differentiation of the Base Green option is that the rate is priced 0.5% below PG&E, renewable energy sources target 0-5% above CPUC Renewable Portfolio Standard (RPS) mandate, and ineligible to participate in customer dividend program and reduced access to customer program benefits. In addition, if approved, California Alternative Rates for Energy (CARE) and Family Electric Rates Assistance (FERA) customers would be automatically enrolled in the Base Green option.

The Board discussed funding sources to customers to pay their electric utility bills, and other options, such as a LED light bulb replacement program, to assist customers reduce electricity usage.

Verbal Public Comment: Christine Shewmaker stated that the CAC had several meetings where this item was discussed and looked at the item from several different perspectives. She thinks that as VCE moves forward, VCE should be flexible on the three various rate structures to help achieve goals outlined in VCE’s Strategic Plan.

There were no additional verbal public comments and there were no written public comments.

Motion made by Director Frerichs to:

1. Approve the attached resolution adopting a new three-tiered customer rate structure adding a new least cost “Base Green” option in 2023 to the existing “Standard Green” (default rate) and “UltraGreen” (existing 100% renewable rate) customer rate options;
2. Approve enrolling California Alternative Rates for Energy (CARE) and Family Electric Rates Assistance (FERA) customers in the Base Green option with Standard Green features as described in the staff report.
3. Direct staff incorporate recommendations 1 and 2 into the 2023 Customer Rate Setting process.

This motion was seconded by Director Barajas. Motion passed as Resolution 2022-024 by the following vote:

AYES: Loren, Stallard, Carson, Vega, Frerichs, Barajas

NOES: None

ABSENT: Saylor, Cowan, Sandy

ABSTAIN: None



Item 22: Receive mid-year financials update. (Information)

Mr. Sears introduced this item. Mr. Burnham summarized 2022 budget development, 2022 financials update and additional factors, and multi-year forecast update. There were no verbal or written public comments.

Director Lucas Frerichs departed at 6:30 p.m.

Item 23: Approve Amendment 2 and VCE's JPA updating Exhibits. (Action). Resolution 2022-025

Mr. Sears introduced this item. He informed those present that the proposed Second Amendment to the Joint Powers Agreement (JPA) updates the annual energy use and voting shares exhibits (Exhibits C – Annual Energy and D – Voting Shares) to reflect annual changes in energy usage and creates a more streamlined process for updating Exhibits C and D. There were no verbal or written public comments.

Director Carson made a motion to adopt resolution approving Second Amendment to Valley Clean Energy Alliance Joint Exercise of Powers Agreement (JPA Agreement) and authorizing the Executive Officer, in consultation with legal counsel, to take necessary implementing actions.

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

AYES: Loren, Stallard, Carson, Vega, Barajas

NOES: None

ABSENT: Saylor, Cowan, Sandy, Frerichs

ABSTAIN: None

Item 24: Board Member and Staff Announcements

Director Carson wanted to thank Yvonne Hunter for all of her work and contributions to VCE and the Community Advisory Committee. Chair Loren also thanked Ms. Hunter for all of her contributions. There were no other Director announcements. Mr. Sears also thanked and is grateful for Ms. Hunter's photos, expertise and guidance. Ms. Hunter thanked the Board and VCE for the gift of working with the communities and other CCAs prior to VCE's launch and post launch for numerous years. It has been an honor to work with talented and dedicated Staff, Board and CAC members.

Chair Loren wanted to end the meeting honoring Yvonne Hunter for her great contributions, creativity, intelligence, her dedication and uplifting nature that she has brought to all of us at Valley Clean Energy.

Chair Loren announced that the Board's August 11, 2022 meeting has been cancelled. The next regular meeting is scheduled for Thursday, September 8, 2022 at 5 p.m.

Adjournment

Chair Loren adjourned the regular Board meeting at 6:39 p.m.

Alisa M. Lembke
VCEA Board Secretary