

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 4

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**TO:** Valley Clean Energy Alliance Board of Directors  
**FROM:** Alisa Lembke, VCEA Board Clerk/Administrative Analyst  
**SUBJECT:** Approval of Minutes from September 13, 2018 Board Meeting  
**DATE:** October 18, 2018

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### **RECOMMENDATION**

Receive, review and approve the attached draft Minutes from the September 13, 2018 Board meeting.



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE  
BOARD OF DIRECTORS  
September 13, 2018**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their meeting scheduled for Thursday, September 13, 2018 at 5:30 p.m. at the Woodland City Council Chambers, located at 300 First Street, Woodland, CA 95695. Chairperson Lucas Frerichs established that there was a quorum present and began the meeting at 5:36 p.m.

Board Members Present: Lucas Frerichs, Tom Stallard, Angel Barajas, Don Saylor, Duane Chamberlain

Board Members Absent: Dan Carson

Approval of Agenda Motion made by Director Stallard, seconded by Director Saylor to approve the September 13, 2018 Board Agenda. Motion passed unanimously with Carson absent.

Public Comment Chairperson Frerichs opened the floor for public comment. There being no public comment, the floor was closed.

Approval of Consent Agenda Chairperson Frerichs noted that there was one minor change to Consent Agenda Item #6 – Receive Financial Statements, the word “draft” should be deleted. He asked if there were any items that the Directors would like to pull. There being none, Director Stallard made a motion to approve the amended consent Agenda, Items #4-13, seconded by Director Barajas. Motion passed unanimously with Director Carson absent.

Approval of Minutes from July 12, 2018 Meeting Director Stallard made a motion to approve the July 12, 2018 meeting minutes, seconded by Director Barajas. Motion passed unanimously with Director Carson absent.

Long Range Calendars Director Stallard made a motion to receive the long range calendars, which include the remaining months in 2018 and the 2019 calendar year, seconded by Director Barajas. Motion passed unanimously with Director Carson absent.

Receive June 30, 2018 and July 31, 2018 draft unaudited Financial Statements Director Stallard made a motion to approve the June 30, 2018 and July 31, 2018 unaudited financial statements, seconded by Director Barajas. Motion passed unanimously with Director Carson absent.

Approval of Retirement Plans: 401(a) Discretionary Director Stallard made a motion to adopt the Retirement Plans 401(a) and 457 resolutions as follows:



Defined  
Contribution Plan  
and 457(b)  
Deferred  
Compensation Plan  
/ Resolution 2018-  
022, Resolution  
2018-023, and  
Resolution 2018-  
024

1. A resolution titled “Resolution of the Board of Directors of the Valley Clean Energy Alliance Authorizing the Adoption of a 401(a) Discretionary Defined Contribution Plan” (Resolution 2018-022);
2. A resolution titled “Resolution of the Board of Directors of the Valley Clean Energy Alliance Authorizing the Adoption of a 457 Deferred Compensation Plan” (Resolution 2018-023); and,
3. A resolution titled “Resolution of the Board of Directors of the Valley Clean Energy Alliance Approval of the 401(a) Discretionary Defined Contribution Plan Employer Matching Contribution Formula” (Resolution 2018-024).

This motion was seconded by Director Barajas. Motion passed unanimously with Director Carson absent.

Approval of  
contract Extensions  
LEAN Energy and  
Donald Dame

Director Stallard made a motion to authorize the Interim General Manager to extend existing VCEA contracts with LEAN Energy and Consultant Donald Dame to expire on December 31, 2018. Motion passed unanimously with Director Carson absent.

YCMARIA  
Approval to Apply  
for Self-Insure  
Workers  
Compensation  
Liabilities /  
Resolution #2018-  
025  
Regulatory Update

Director Stallard made a motion to approve a resolution titled “A Resolution of the Valley Clean Energy Alliance Authorizing Application to the Director of Industrial Relations, State of California, for a Certificate of Consent to Self-Insure Workers’ Compensation Liabilities”, seconded by Director Barajas. Motion passed unanimously with Director Carson absent.

Director Stallard made a motion to receive the regulatory monitoring report from Keyes & Fox, seconded by Director Barajas. Motion passed unanimously with Director Carson absent.

Customer  
Enrollment Update

Director Stallard made a motion to receive the Customer Enrollment Update dated August 31, 2018, seconded by Director Barajas. Motion passed unanimously with Director Carson absent.

Approval of  
“Standard Green”  
as the name for  
VCEA’s standard  
electricity offering  
Community  
Advisory  
Committee  
Meeting Update

Director Stallard made a motion to approve the change of VCEA’s base energy product to “Standard Green”, seconded by Director Barajas. Motion passed unanimously with Director Carson absent.

Director Stallard made a motion to receive the Community Advisory Committee July 30, 2018 and August 29, 2018 meeting summaries and to approve Staff’s recommendations: 1) on the terms of service and officer position of Members who serve on the Advisory Committee and 2) for Staff to move forward with the recording of VCE Board meetings, seconded by Director Barajas. Motion passed unanimously with Director Carson absent.



Status Report on  
Pending Regulatory  
Actions

Mr. Tim Lindl of Keyes & Fox introduced himself and his firm. The firm is very familiar with energy as that is all that they do and represent. They provide guidance and representation services to VCEA in proceedings and other matters. They also provide the monthly regulatory compliance report, which was previously prepared by Ms. Shawn Marshall of LEAN Energy. He provided an update and status on the Power Charge Indifference Adjustment (PCIA). He informed those present that a proposed decision (PD) came out first then later an alternate proposed decision (APD), both decisions quite different than one another. Ex-parte meetings were held with several CPUC Commissioners' office staff to address the issue. CalCCA also had ex-parte meetings. Several CCAs provided written responses. A decision should be made at the next hearing by the Administrative Law Judge, which has been scheduled in two (2) weeks at the end of September. He suspects that they will not postpone making a decision and one will be announced.

Chairperson Frerichs commented that he and Director Saylor attended ex-parte meetings in San Francisco with Staff (Mitch Sears, Lisa Limcaco and Gary Lawson). He thanked Staff for all of their work in preparing and presenting information to four (4) Commissioner's staff. Chairperson Frerichs opened the floor for questions. Director Saylor agreed with Director Frerichs' comments and sentiments. He stated that it was very important to meet Commissioners' staff in person and to attend meetings with knowledgeable Staff that are well versed on all aspects of the PCIA issue. He commented that he was surprised that a Commissioner came up with their own APD, rather than the Administrative Law Judge. Chairperson Frerichs asked Mr. Lindl if anyone could respond during the comment period. Mr. Lindl informed those present that only those that are parties to the proceeding can comment and all five (5) Commissioners must be served with the ex-parte communication. Mr. Sears informed those present that the main points of the meeting had to be sent in writing afterwards to each of the Commissioner's office. He also informed those present that the CPUC decision meeting will be held in Sacramento not in San Francisco.

Net Energy  
Metering (NEM)  
Policy Amendment

Mr. Sears reiterated to those present that Staff is asking the Board to make a decision on an amended Net Energy Metering (NEM) policy. He reminded those present that two (2) public workshops were held, one in Woodland and one in Davis. It is Staff's opinion that the draft amended policy is a good balance for VCE and NEM Customers. He introduced Staff Member Mr. Jim Parks who would review the highlights of the amended policy. Mr. Parks informed the Board that the amended policy is as balanced as possible between the needs of the NEM Customers and VCE. He noted that there will be a few NEM customers who will not "benefit" or "fit" into the amended policy and Staff will have to review those situations on an individual basis.

Mr. Parks asked if there were any questions from the Board. Director Barajas asked of the five (5) items listed in the original policy, which ones are being carried over to the amended policy. Mr. Parks answered that only about 1% of



the original “guidelines” are being carried over, such as: net energy producers can donate monies, but added that basic principles are being carried over. Director Barajas asked which of the 15 items in the amended policy should be looked at in the future. Mr. Parks responded by stating that the monthly billing and February true-up dates for new NEM Customers should be reviewed in the future.

Chairperson Frerichs opened the floor to public comment. A resident of west Winters introduced himself and stated that there is no mention of NEM-A customers in the policy. Mr. Parks informed him that for NEM-A customers, VCEA will receive a penny credit for excess generated during the month. The resident announced that he is an agricultural customer and was told that PG&E does not pay for excess generation. Mr. Parks thought that he was correct and VCEA will follow PG&E’s NEM-A annual true-up policies, but that VCEA would give the NEM-A customer a penny credit for excess generated during the month.

There being no other public comment, Chairperson Frerichs thanked Staff for bringing back the NEM policy for discussion as it appears that the original policy has been streamlined now that feedback from customers has been received. In addition, he reminded those present that the Community Advisory Committee provided input to Staff on the amended policy and is recommending that the Board adopt it as amended.

Chairperson Frerichs made a motion to approve the amended Net Energy Metering (NEM) policy as presented, seconded by Director Barajas. Chairperson opened the floor for Board discussion. Director Stallard commented that NEM is a technical issue and that he believes the Board is moving forward in a positive direction. In addition, he commented that the NEM issue should be reevaluated in the future and he wants to do what is best for the NEM customers. There was no other discussion or questions.

The motion made by Chairperson Frerichs to approve the amended Net Energy Metering (NEM) policy, seconded by Director Barajas was voted on. Motion passed unanimously by the following vote:

AYES: Frerichs, Stallard, Barajas, Saylor, Chamberlain  
NOES: None  
ABSENT: Carson  
ABSTAIN: None

Joint Powers  
Authority New  
Member  
Application Policy  
/ Resolution #2018-  
026

Mr. Sears informed those present that the CPUC provides some guidance on the local process, policies and steps that should be taken in order to join a Community Choice Aggregate (CCA) Joint Powers Agency (JPA). Mr. Sears worked with Ms. Shawn Marshall of LEAN Energy to compose the proposed policy and resolution. He provided an overview of the proposed policy.



Mr. Sears informed those present that the City of Winters Council has scheduled an item on their October meeting agenda for them to discuss possibly joining VCEA. He also has reached out to the City of West Sacramento.

In reviewing the policy, Mr. Sears mentioned that any new member would pay between \$25,000 to \$50,000, depending on the size of the community, for “on board” activities, which covers the administrative costs to perform the activities. These costs are reimbursable back to the Agency after they join. Director Stallard mentioned that the “seed capital” that each City and the County came up with was \$500,000 each. Director Saylor mentioned that there is debt repayment process to the original Agencies. Mr. Sears informed those present that the amount for new members is similar to other CCA JPA policies. He also confirmed that the amount would be paid back to the new member at a similar rate, but obviously not the same “seed capital” amount that was provided by the original Agencies.

There was a discussion about what other jurisdictions could possibly join VCEA.

Mr. Sears reminded those present that each new member would add two (2) more Board Members and three (3) “seats” on the Community Advisory Committee.

Chairperson Frerichs opened the floor for Board questions and comments. He asked legal counsel if the JPA was silent on Board alternates. Ms. Harriet Steiner of Best Best & Krieger informed those present that the JPA does provide for one alternate per Member, so the City Councils of Davis and Woodland could appoint an alternate as Yolo County has already appointed an alternate.

Chairperson Frerichs encouraged Staff to pursue soliciting the Cities of Winters and West Sacramento to join VCEA.

Chairperson Frerichs opened the floor to public comment. There being none, the floor was closed. Director Saylor commented that a future discussion item by the VCEA Board should be the strategy on how VCEA expands in the future, how and in what manner. In addition, Director Saylor mentioned that what the Board and Staff are currently talking about is small expansion and he would like to see a discussion on large expansion, the adding of larger Agencies. Chairperson Frerichs asked Staff to bring this issue back to the Board at their next meeting so that a strategy can be discussed and set for consideration of future new members.

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Motion made by Director Saylor to approve the following:

- 1) invite the City of Winters and the City of West Sacramento to join VCEA in 2018 for potential customer enrollment in 2020 or in 2019 for customer enrollment in 2021;
- 2) authorize staff to respond to inquiries and/or commence discussions with other Central Valley communities that may be interested in joining VCEA in 2019 and beyond; and,
- 3) adopt a resolution titled “a Resolution of the Valley Clean Energy Alliance Authorizing Joint Powers Agency New Member Application Policy”.

Motion was seconded by Director Stallard. Motion passed unanimously by the following vote:

AYES: Frerichs, Stallard, Barajas, Saylor, Chamberlain

NOES: None

ABSENT: Carson

ABSTAIN: None

#### Review of Key Criteria for Long Term Renewable Solicitation

Staff Member Gary Lawson reminded those present that key criteria for long term renewable solicitation was an item for the Board’s August meeting, which was cancelled due to a lack of quorum. Today, he is providing an update on the status of the solicitation. He reminded the Board that the long term solicitation is the first Action Plan item listed within the Integrated Resource Plan and that the Community Advisory Committee reviewed, discussed and made recommendations on the solicitation criteria. The solicitation was posted on August 13, 2018, with proposals due Monday, September 17, 2018. Staff have received Notices of Intent to Bid from seventeen (17) developers with 43 project variations, in excess of 1,500 MW. He noted that detailed evaluation methodology has not been provided in the solicitation.

Mr. Lawson reviewed all of the recommendations covering the following:

1. Definition of Local Resources
2. Siting Criteria
3. Development of Status Criteria
4. Acceptable Technologies
5. Energy Storage, including what to include and what not to include and which technologies
6. Out-of-State resources
7. Interconnection Status

Mr. Lawson asked if there were any questions. Questions were asked about what type of battery storage, what is included in the definition of local and regional resource location, and the effects of out of state resource purchases on cost to ratepayers.



Chairperson Frerichs opened the floor to public comment, there being none, he continued with asking if a policy is forthcoming. Mr. Lawson stated that he will bring the policy issues to the Board for discussion when he brings the contracts back to the Board.

Board Member and Staff Announcements

Chairperson Frerichs announced that Director Dan Carson was able to attend the CalCCA annual conference, unfortunately, he was unable to attend as planned. Mr. Sears commented that the CalCCA conference was well attended by Staff and that Gary Lawson and Michael Champ spoke. He added that there was great representation, participation and leadership of Agencies and there were others in attendance such as SMUD. He commented that PCIA was front and center in discussions, but there were great sessions on different subjects. Mr. Sears announced that CalCCA organized some outreach pieces: 1) a full page in the San Francisco Chronicle regarding the positive aspects of CCAs and 2) a letter sent to CPUC regarding PCIA and Agency endorsement/signatures.

Mr. Sears reminded those present that the City of Winters is showing an interest in joining VCEA. Chairperson Frerichs asked that Staff share with the Board when the City of Winters will meet next. Director Saylor has an interest in attending, if available, their Council meeting since it is located within his district.

Announcements

The next VCEA Board meeting has been scheduled for Thursday, October 11, 2018 at 5:30 p.m. at the Davis Community Chambers, 23 Russell Blvd., Davis, CA 95616.

Meeting was adjourned at 7:10 p.m.

Alisa Lembke  
Board Clerk/Administrative Analyst