

VALLEY CLEAN ENERGY ALLIANCE

Staff Report - Item 5

TO: Community Advisory Committee

FROM: Alisa Lembke, Board Clerk/Administrative Analyst

SUBJECT: CAC January 20, 2022 Meeting Minutes

DATE: February 24, 2022

Recommendation

Receive, review and approve the attached January 20, 2022 meeting minutes.



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, JANUARY 20, 2022
VIA TELECONFERENCE**

Interim Chair Yvonne Hunter opened the Community Advisory Committee of the Valley Clean Energy Alliance in a meeting on Thursday, January 20, 2022 beginning at 5:02 p.m. via videoconference pursuant to the Brown Act and Assembly Bill 361 (AB 361). The Board of Directors found that the local health official recommended measures to promote social distancing and authorized the continuation of remote meetings for the foreseeable future.

Welcome and Roll Call

Committee Members Present: Yvonne Hunter (Interim Chair), Marsha Baird (Interim Vice Chair), Christine Shewmaker, Cynthia Rodriguez, Gerry Braun (departed at 7:00 p.m.), Lorenzo Kristov, David Springer, Jennifer Rindahl (arrived at 5:12 p.m.)

Committee Members Absent: Mark Aulman

**Welcome and
Approval of Agenda**

Motion made by Christine Shewmaker to approve the January 20, 2022 meeting agenda, seconded by David Springer. Motion passed with Mark Aulman and Jennifer Rindahl absent.

**Public Comment /
Introductions**

There were no written or verbal public comments on items not on the agenda and on Consent Agenda items.

**Brief task Group and
VCE staff Reports**

Task Group Reports

Outreach Task Group: Marsha Baird informed those present that the task group reviewed and provided input to Staff on the annual draft outreach report scheduled to be given to the Board at their January meeting.

Programs Task Group: Nothing to report.

Rates Task Group: Lorenzo Kristov informed those present that the task group met earlier in the month to get a status update on when the California Public Utilities Commission's (CPUC) will make a decision on PG&E's rate changes and on Power Charge Indifference Adjustment (PCIA) charges. He reported that it looks as though the rates will change effective March 1st.

Carbon Neutral Task Group: Cynthia Rodriguez reported that the task group worked on transitioning the task group to a new group now that the carbon neutral study has been completed.



Leg/Reg Task Group: Interim Chair Hunter informed those present that the task group looked at Senate Bill 833 (Dodd) and suggested that this bill be submitted to the Board for VCE's support.

Yvonne Hunter reminded the CAC members that she and Marsha Baird are serving as interim Chair and Vice Chair. If a member is interested in serving in one of these positions, please contact her, Ms. Baird, Assistant General Manager Gordon Samuel, or Interim General Manager Mitch Sears.

(Jennifer Rindahl arrived at 5:12 p.m.)

Staff Report: Mr. Sears informed those present that typically support of legislation goes to the CAC first then to the Board; however, due to the urgency for support, it is being presented to the Board.

Consent Items

Jennifer Rindahl made a motion to approve Consent Agenda items, seconded by Christine Shewmaker. Motion passed with Mark Aulman and Jennifer Rindahl absent. The following items were:

5. approved A) November 18, 2021 meeting Minutes and B) December 16, 2021 meeting Minutes; and,
6. received customer enrollment update as of January 12, 2022.

There were no written or verbal public comments as indicated above.

Item 7: Consider Cost-based Customer Rates – 2022 Customer Rates. (Discussion/Action)

Interim General Manager Mitch Sears provided an update on the California Public Utilities Commission's (CPUC) filing process and the revised timeline for a decision on Power Charge Indifference Adjustment (PCIA) and PG&E rates. Staff provided 2022 financial forecast update, budget scenarios based on anticipated PCIA and PG&E rates, reserves target, and rates implementation procedure.

Staff provided a copy of the CAC's November 10th recommendation to the Board on rates and presented staff's updated recommendation based on the most recent PCIA and PG&E information collected in the past several months. Staff recommended that the CAC amend their November 10th recommendation. The CAC discussed rate stability, forecasting of revenue and costs, impacts such as hedging on forecasting, Dividend policy consideration, programs, renewable energy, potential impacts of Net Energy Metering (NEM) 3.0 on rates, effects of long term power purchase agreements production of energy on rates, and improving forecasting for cost-based rate setting/assessment.

There were no written or verbal public comments.

Marsha Baird made a motion supporting staff's recommendation with adjustments to staff's #3 as follows:



Revise the November 2021 CAC recommendation to recommend that the VCE Board of Directors approve the following:

1. Adopt customer rates for 2022 to match PG&E 2022 generation rates for all customer classes to cover VCE's FY 2022 budget expenditures and to achieve between 80-90 days cash reserves by the end of 2022;
2. Provide a 2.5% rate credit for CARE and FERA customers in 2022;
3. Conduct a mid-year rates review in Q2 2022 to assess rates forecast and determine the feasibility of:
 - a. allocating additional funds for 2022 clean energy content procurement;
 - b. allocating additional funds to 2022 program implementation; and,
 - c. providing additional rate credits for all customer classes during peak summer months in 2022.

This motion was seconded by Christine Shewmaker.

Gerald Braun expressed his concern that the motion omits forecasting in looking at cost base rate setting. Staff have committed bringing back forecasting as a topic for education and discussion sometime in early Spring 2022. Mr. Sears commented that there are a lot of different components that go in to forecasting and welcome input from the CAC.

Ms. Baird read the motion again. Motion passed by the following vote:

AYES: Baird, Shewmaker, Rodriguez, Braun, Springer, Kristov, Hunter, Rindahl

NOES: None

ABSENT: Aulman

ABSTAIN: None

Item 8: Review and provide comments on the draft VCE Carbon Neutral by 2030 report. (Discussion)

VCE Assistant General Manager Gordon Samuel reminded those present that the CAC received at their December meeting, highlights of the carbon neutral report. The draft report presented at this meeting is the final draft report and includes "sensitivities" and input from the Carbon Neutral Task Group. Staff are seeking the CAC's comments, prior to the final draft being presented to the Board at their February meeting. The CAC provided comments: building electrification and electric vehicles impacting forecasting and future load scenarios, the idea of looking at the whole system rather than specifically at procurement, ways to meet the need and how to meet the need, looking at the impacts of residential and commercial building, including rooftop solar, growth of construction impacting the need for electricity, and the need to consider reorganizing the report to make its findings and recommendations easier to identify.



There were no written or verbal public comments.

Staff asked that any additional comments and/or suggestions from the CAC be provided via email to Mr. Samuels.

Mr. Sears wanted to acknowledge this important milestone for VCE on having a carbon neutral report. He thanked staff, Carbon Neutral Task Group, and Energeia USA for their work. This report will be a great reference document.

Although a recommendation to the Board is not being asked of the CAC, Interim Chair Hunter suggested that staff convey to the Board that the CAC discussed it, offered comments, are enthusiastic of the quality of the work, and acknowledge the importance of the work for VCE. Ms. Shewmaker reminded those present that the CAC at their December 2021 meeting supported the carbon neutral report and asked that the slides be forwarded to the Board.

Item 9: Receive presentation on California Community Power JPA long duration energy storage project: Tumbleweed. (Informational)

Mr. Samuel presented an overview of the Tumbleweed long duration energy storage project that California Community Power (CC Power) is considering. He provided a summary of the CPUC mid-term reliability procurement order, procurement order timeline, a project overview, CC Power member participation, and energy allocations and authority.

Questions and comments were provided by the CAC: what happens if a developer is late in producing energy (off their scheduled timeline), other energy sources that are considered “zero emissions”, impacts of Customers opting up to 100% renewable (UltraGreen), types of bids received, Resource Adequacy planning, whether costs are consistent with VCE’s carbon neutral study, and forecasting.

There were no written or verbal public comments.

Christine Shewmaker made a motion that the CAC recommends to the Board that VCE participate in the California Community Power (CC Power) Tumbleweed Energy Storage Project, seconded by Gerry Braun. Motion passed by the following vote:

- AYES: Baird, Shewmaker, Rodriguez, Braun, Springer, Kristov, Hunter, Rindahl
- NOES: None
- ABSENT: Aulman
- ABSTAIN: None

Item 10: Update on Valley Clean Energy customer program development. (Informational)

VCE Staff Rebecca Boyles and Sierra Huffman provide an overview of various customer programs that are under development: Heat Pump Pilot Program, Electric Vehicle Rebates Pilot, AgFIT (Agricultural Flexible Irrigation Technology), and Net Energy Metering (NEM) 3.0.



CAC provided comments including: the Net Energy Metering (NEM) 3.0 “cost shift” is purported, as some people believe or do not believe this claim; and, that in regard to rebates, there are no contractors in Yolo County who have signed up to assist customers with these programs; however, there are a few in adjacent counties.

There were no written or verbal public comments.

(Gerry Braun departed at 7:00 p.m.)

Mr. Sears informed those present that the AgFIT program is moving forward to meet CPUC’s expectations of launching the program by May 1, 2022. He informed those present that staff will be asking the Board at their January 27th meeting to utilize existing program funds on a temporary basis to get this program up and running. Thereafter, those funds will be backfilled with monies that flow from the CPUC.

Item 11: Formation of 2022 Task Groups and consideration of Task Group chares. (Discussion/Action)

Mr. Sears introduced this item informing those present each year, the CAC forms task groups and their charges. The CAC discussed the formation of task groups and agreed that the Leg/Reg, Outreach and Programs Task Groups were needed in 2022. Draft 2022 task group charges were attached to the Staff Report for review and discussion. It was agreed that the Carbon Neutral Task Group should focus on decarbonization or other now that the Carbon Neutral by 2030 report has been produced. A proposed task group is being offered for discussion and possible formation that focuses on energy resilience. The CAC discussed whether a Rates Task Group would be needed in 2022 and it was determined that at this point in time, there is no need for it. Instead, when input is needed by Staff and/or the Board, an ad hoc group could be formed to address specific tasks.

There were no written or verbal public comments.

Marsha Baird made a motion to form three (3) task groups: Leg/Reg, Outreach, and Programs, seconded by Yvonne Hunter. Motion passed by the following vote:

AYES: Baird, Shewmaker, Rodriquez, Springer, Kristov, Hunter, Rindahl

NOES: None

ABSENT: Aulman, Braun

ABSTAIN: None

Marsha Baird made a motion to approve the “charges” presented in the staff report for the Leg/Reg, Outreach and Programs Task Groups, seconded by Yvonne Hunter. Motion passed by the following vote:

AYES: Baird, Shewmaker, Rodriquez, Springer, Kristov, Hunter, Rindahl

NOES: None

ABSENT: Aulman, Braun

ABSTAIN: None



After a brief discussion, it was agreed that a more in depth discussion on the best way to approach the topic of resiliency and the formation of a task group should be scheduled for the CAC's February meeting; therefore, holding off forming a fourth task group at this time.

Interim Chair Hunter informed those present that CAC member Mark Aulman has expressed his interest in continuing to serve on the Outreach Task Group. CAC members expressed their interest in serving on the 2022 task groups:

1. Leg/Reg: Yvonne Hunter, Christine Shewmaker, Jennifer Rindahl, Lorenzo Kristov
2. Outreach: Mark Aulman, Marsha Baird, Yvonne Hunter
3. Programs: Marsha Baird and David Springer

Interim Chair Hunter asked the Board Clerk to send out the task group "charges" to all members asking other members to participate on a task group and asked that each task group to select a chair. In addition, she asked that staff inform the Board of the task groups formed and like last year, provide a copy of the final "charge" for each.

Item 12: Review and discuss draft Collections Policy. (Discussion)

Mr. Sears introduced this item and informed those present that a second draft will be provided to the CAC at their February meeting, so this item will come back to the CAC. Staff are asking for the CAC to comment and provide input on the draft Collections Policy. VCE Staff Edward Burnham reviewed VCE's collection approach and customer service focus. The CAC briefly discussed the draft and provided comments and suggestions.

There were no written or verbal public comments.

As mentioned above, a revised draft policy will be brought to the CAC at their February meeting. Staff will be seeking the CAC's recommendation to the Board to adopt the policy at that time.

Item 13: Receive and update Community Advisory Committee 2022 Long-Range Calendar. (Discussion)

Interim Chair Hunter asked if the CAC members were good with changing the November and December meeting dates due to the holidays, to November 17th and December 15th and asked if the 4th Thursday of each month at 5 p.m. still worked for the members. It was agreed to change the November and December meeting dates and to continue meeting monthly on the 4th Thursday at 5 p.m.

She also pointed out that staff will be providing their update on power procurement and Resource Portfolio Standard (RPS) at the February meeting.

There were no written or verbal public comments.



**Advisory Committee
Member and
Announcements**

Christine Shewmaker informed those present that the Yolo County Board of Supervisors heard an item on Cache Creek mining operations where opting up to VCE's UltraGreen was brought up and discussed.

Interim Chair Hunter informed those present that Cool Davis held an energy efficiency workshop in August, where VCE was a sponsor. The edited final version of the recording is now available with links to back-up materials. She will forward this information to the Board Clerk for distribution to the CAC.

**Adjournment to
Next Meeting**

The next meeting is scheduled for Thursday, **February 24, 2022 at 5 p.m.** The meeting was adjourned at 7:47 p.m.

Alisa M. Lembke
Board Clerk/Administrative Analyst