

**VALLEY CLEAN ENERGY ALLIANCE
COMMUNITY ADVISORY COMMITTEE**

Staff Report Item - 5

TO: VCEA Community Advisory Committee
FROM: Mitch Sears, Interim General Manager
SUBJECT: CAC Minutes of May 30, 2018 Meeting
DATE: July 2, 2018

Recommendation

Receive and approve the minutes from the May 30, 2018 CAC meeting.

MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE

COMMUNITY ADVISORY COMMITTEE

Wednesday, May 30, 2018

Chairperson Gerry Braun opened the Community Advisory Committee of the Valley Clean Energy Alliance in regular session beginning at 5:36 p.m. in the Davis Senior Center, located at 646 "A" Street, Davis, CA 95616.

Welcome and Roll Call

Committee Members Present: Gerry Braun (Chair), Christine Shewmaker (Vice-Chair), Mark Aulman, Tom Flynn, David Springer, Marsha Baird (Secretary), Yvonne Hunter, and Lorenzo Kristov

Committee Members Absent: None

Approval of Agenda

Y. Hunter moved, seconded by M. Aulman to approve the agenda. Motion passed by the following vote:

AYES: Braun, Shewmaker, Aulman, Flynn, Springer, Baird, Hunter, Kristov

NOES: None

ABSENT: None

ABSTAIN: None

Public Comment

Chairman Braun opened it up for public comment. A person from the public, who is a volunteer for UC Davis Energy Center, and now works as an independent consultant, will be more engaged in VCEA.

Mr. Kristov commented that a future agenda item for the CAC to discuss are those current customers that are participating in 3rd party demand response (home connect). No structure is in place such as this with VCEA, so the transition needs to be discussed to offer this to the customers. This is a deficiency within all CCA's. Ms. Hunter asked if the only way to resolve this issue is through legislation? Mr. Kristov answered by saying that he did not think so, but rather VCE should come up with a similar contract. Ms. Hunter's thought was that possibly CCA could come up with a contract/agreement template.

Chairperson Braun asked for a Staff update. Mr. Sears announced that he has asked SMUD technical, Lean Energy and other CCAs how they have handled 3rd party demand response questions and issues. Currently, Mr. Sears does not know the scope of the number of customers this effect.

Legislative and Regulatory Task Group: Ms. Hunter stated that Shawn Marshall of Lean Energy listed the bills at the last CAC meeting of what bills CCA is following and what Cal CCA's point of view/approach is on those bills. She said that there is a summary available, but it does not give CCAs opinion on each at this point – there were several bills that were "opposed unless amended". So, they wait till all opinions come out. There are other bills moving forward and the Task Group will keep the other members of the CAC apprised of what those are. Chairperson Braun asked if the Task Group have met in person. Ms. Hunter said they have not but have been communicating through e-mails. Ms. Shewmaker informed those present that she has seen copies of letters on the internet from Cal CCA stating their opinions, but we (CAC) can't have them? Mr. Sears commented that Cal CCA is trying to position and organize themselves with an approach with the minute by minute changes in legislation. If there are letters available to the public on the internet, then it is okay to have them.

Mr. Kristov commented that there is a hot item in front of the CPUC regarding regulatory adequacy - Phase 2 will be addressing procurement and hearings on this subject start soon. Mr. Kristov informed those present that Cal CCA has asked him to provide expert testimony at the CPUC hearings. He would like to meet with the Task Group soon, then at the CAC July 2nd meeting he can provide the status of his testimony and how it is going. Mr. Kristov stated that Cal CCA is trying to offer solutions as their strategy. Mr. Sears agrees that Cal CCA is approaching with solutions rather than firm opposition.

Mr. Aulman asked how the revisions to the website were coming along? Ms. Hunter reviewed the VCEA website for completion, accuracy and clarity. Ms. Hunter says that it is a group process and that she has met with VCEA Staff Member Jim Parks on the proposed revisions. Ms. Shewmaker provided her opinion that the VCEA website needs to change as it is not user friendly and some of the information is not accurate. Ms. Hunter would like to see the revisions and updates be combined with the result being captured in a new pamphlet. Mr. Springer asked if the information on the website came from CirclePoint? Ms. Hunter said that it appears that it did. Mr. Sears reassured those present that the information on the VCEA website and postcard mailers is accurate.

There were no further comments from the public.

Approval of April 26, 2018 Committee Meeting Minutes – IRP Workshop

Mr. Aulman moved, seconded by Mr. Springer to approve the April 26, 2018 Committee meeting minutes. Motion passed by the following vote:

AYES: Braun, Shewmaker, Aulman, Flynn, Springer
NOES: None
ABSENT: None
ABSTAIN: Kristov, Hunter, Baird

Million LED Lamp Challenge (Informational)

Professor and Director Michael Siminovitch of the UC Davis California Lighting Technology Center presented information on the Million LED Lamp Challenge. A brief slide presentation was provided which highlighted the program of establishing quality-based standards for lighting inside structures, so one specification that all lighting must meet. It is a statewide alliance of colleges and other Agencies. When the Request for Proposals went out, 20 companies responded. The objectives were to: 1) develop performance specifications, 2) establish a MLC program and 3) have a two-phase implementation approach. They looked at all aspects of a light bulb: color, shadow, strength, length of bulb, etc. As a result, performance specifications were developed and adopted.

Question from Public:

What percentage of California is lighting? Answer: Depends on the building type and operating under – applies to all facilities/homes.

Is there a requirement to list on the bulb information/labeling? Answer: Currently not, but it is forthcoming.

Was the RFP solicitation for the bulb or specifications? Answer: Specifications - one vendor was selected for this round, but each year they will have to go out to RFP.

LED only? Answer: yes, only LED lighting.

How can a CCA help? Via customers? Or? Answer: websites have information and are helpful especially while moving into the customer side. So, yes, CCA's can put it on their website, through a link with quality information.

Ms. Hunter offered to connect Mr. Siminovitch to a few government entities.

**Integrated
Resource Plan
(IRP) Provide
Feedback on Draft
Integrated
Resource Plan**

Gary Lawson and Olof Bystrom of SMUD each introduced themselves. Mr. Lawson reminded the Board Members that the IRP is due August 1st. SMUD met with CAC at the end of May and will provide a draft IRP and their recommendation to the CAC's July meeting. He asked that the CAC give thought as to what needs to be answered and/or done for the CAC to make a recommendation to the Board. Mr. Sears reminded those present that this is the third time the CAC has addressed a draft IRP and now things are coming into sharper focus. He stated that tonight the Board will assist the CAC in digging deeper and setting the stage for the CAC to make their recommendation to the Board at their July meeting.

Mr. Bystrom provided a brief recap of the CAC workshop and the last CAC meeting. He provided a few size reference maps. (Slide 3) UC Davis Rooftop Solar at Winery, Brewery and Food Science Laboratory with 756 Kw capacity. Ms. Hunter asked what size would you call this? Mr. Bystrom indicated small megawatt production of 1 megawatt (MW) and up, economies of scale. (Slide 4) City of Woodland Police Department rooftop and parking lot solar with a .45 MW capacity. (Slides 5 and 6) SMUD feed-in-tariff utility scale solar with 10 MW capacity over 128 acres and 18 MW capacity over 160 acres. Per Mr. Lawson, this was completed in 2012. Mr. Sears stated that for comparison, the Cannery is over 100 acres. Ms. Shewmaker asked how many would you need? Mr. Bystrom answered 30. Mr. Kristov asked if more electricity is generated if facing north-south? Mr. Bystrom answered yes. (Slide 7) Antelope Valley Solar Ranch with the capacity of 230 MW spread over 2,100 acres - very large scale (Edison territory, but Cal ISO territory).

Mr. Bystrom reviewed Slide 9 - IRP Resources Portfolio Alternatives and made the following comments on each portfolio:

Base: meets minimum requirements, but the 75% carbon free remains throughout until 2030. Mr. Flynn asked how well does the base meet or line up with the climate action plans adopted by VCEA jurisdictions? Mr. Bystrom explained that all IRP scenarios presented today will meet or exceed the various climate action plan objectives.

Cleaner Base: a little more ambitious in the Renewable Portfolio Standard (RPS) and carbon free, with carbon free being present through 2030. Ms. Shewmaker asked if this was affordable and available? Mr. Bystrom answered yes, that is the assumption.

Cleaner VCEA: Similar to the Cleaner Base scenario with respect to the resource choice, RPS level and carbon free content but using VCEA's load forecast rather than the IEPR. Mr. Kristov asked if the load forecasting was the main difference between this scenario and Cleaner Base? Mr. Bystrom answered yes, this is a non-conforming forecast in terms of CPUC requirements.

Mr. Braun asked what are the benchmarks that must be met? Mr. Bystrom answered that one of them is the greenhouse gas benchmark which is based on VCEA's share of the total expected greenhouse gas emissions in 2030 - 129,000 tons.

Mr. Braun stated that when looking at 2030, where large hydro is not increasing, this appears to be Carbon Free modeling in 2030, which in his opinion is not feasible.

Possibly, the CAC should look at the scenario. Ms. Shewmaker stated that shifting resources is not good. Mr. Flynn commented that it appears that VCEA would be utilizing more hydro in the future than what we use today. Mr. Kristov asked if we would be importing it? Mr. Flynn said yes.

Clean Local:

Mr. Bystrom reviewed Slide 10 - Resource Portfolio Renewables, which shows resource renewables for each of the portfolios (Base, Cleaner Base, Clean Local and Cleaner VCEA). Ms. Hunter asked if the CAC chooses one portfolio or do we do a range? Mr. Bystrom suggested that the Board should choose preferred and alternative portfolios, but at a minimum one portfolio that meets the requirements. Ms. Hunter commented that it is her understanding that VCEA's IRP is not set in stone. Mr. Bystrom stated that is correct and can be adjusted, at a minimum every 2 years. Mr. Lawson also stated that yes at that point time, we will have more information about procurement and costs, to make changes. Mr. Bystrom also stated that VCEA will also have other CCA's IRPs for reference since the IRPs are public documents.

Mr. Flynn asked if local meant small scale? Mr. Bystrom answered, yes – such as parking lots, small ag fields, not behind the meter. One of the main considerations is cost. Mr. Braun asked why “behind the meter” is 0? Mr. Bystrom stated that they start at 0, then in 2022 39 solar MW. Mr. Braun asked exiting behind the meter? Mr. Bystrom answered yes, residential and business already installed. Mr. Braun commented that incremental adjustment could potentially be achieved.

Mr. Kristov asked about geothermal - is that all new construction? Mr. Bystrom answered yes - new capacity for VCEA, but not really whether it is **new** geothermal. He continued to state that wind power in Tehachapi and Solano could be used, but this source is expensive. Mr. Kristov stated that solar is the lowest cost per megawatt - 3 megawatts battery come from CPUC requirements. Mr. Bystrom stated yes - there is a requirement for usage of new battery storage.

Mr. Braun commented about wind: there is an interest by Energy Commission looking at off shore wind, technologies being demonstrated showing that California could have off shore wind power. Thereby, mitigating the cost of wind power on land.

Mr. Bystrom reviewed Slide 11 - Resource Portfolio Generation Mix.

Mr. Bystrom reviewed Slide 13 - Resource Portfolio Capacity at Annual Peak Hour which showed that in 2016 the cost of wholesale energy [electricity, fixed cost (loans), reserve capacity] does not have any transmission or distribution charges because PG&E is required to pay this. The key results are shown in the 2030 Power Cost Breakdown of energy graph on the far right, with being Carbon Free content in 2030.

Mr. Bystrom skipped Slide 14 - Carbon Neutral vs. Carbon Free.

Mr. Bystrom reviewed Slide 15 - Observations & Recommendations. On the left are the observations and to the right shows the recommendations. Ms. Shewmaker asked what do you mean by Carbon neutrality? Mr. Bystrom then referred to Slide 14 - showing hour by hour over a 24-hour period, purchasing in a block, showing the difference between Carbon Neutral and Carbon Free. Mr. Lawson stating that the comparison shows balancing loads with VCEA's needs so, looking at it hour by hour rather than over the course of 24 hours and/or based on your portfolio. Ms. Shewmaker observed that in the long term getting away from using fossil fuels.

Mr. Bystrom continued with his review of costs for renewable energy in Slide 15 - Observations & Recommendations. SMUD's recommendation is leaning towards Cleaner based portfolio, focusing on large scale conventional renewables and be open to local competitive offers. Ms. Shewmaker commented that she is thinking about what it means to be carbon neutral and carbo free - she needs to think about this.

Mr. Braun commented that the environmental effects on where things located are different (such as: local, in the community, ground field sites) and there is a trade off with things elsewhere. All have effects on the environment. Transmission costs and losses on generation expansion - CCAs do not have to worry about this. This does not mean that others who do have to pay attention to this have to pay these costs.

Mr. Flynn asked about the Resource Portfolio on Slide 13, the graph emphasizes function? It appears that it is assuming 36.5 increments for 3 years. Maybe not so ambitious so smooth out the curves. Mr. Bystrom stated that there are many ways to make the curves. Mr. Lawson added that possibly there will be favorable local prices in the procurement process.

Mr. Sears commented that the main slide for the CAC to look at is Slide 15 to fashion a recommendation to the Board.

Mr. Lawson reminded the CAC that the IRP – Action Plan will be important as it will be VCEA's "deliverable" on how you are going to get to your 2030 goals.

Mr. Braun suggested that the CAC Members go through the listed items understood by the Committee, do an on-line survey for the Committee Members to prioritize, then ask Staff to see if the CAC members are trending in the same direction/consensus.

Mr. Kristov asked what the significance is of the IRP? Mr. Lawson explained that the CPUC wants to know what VCEA's commitment is to achieve your 2030 goals, then the next deliverables will be in the next IRP due in 2 years.

Mr. Lawson reviewed Slides 44-46, which is Staff's prioritization of possible Action Plan Activities. On Slide 47, it lists the logic behind Staff's proposed prioritization.

Mr. Braun asked what does VCEA want to commit to in this "cycle" - can we also do things beyond what is in our Action Plan? Can VCEA look at the IRP that way? Mr. Sears responded with yes, there are basics that need to be in Plan, but "behind the scenes" goals and how to go about accomplishing those goals can certainly be discussed by the CAC and the Board. Mr. Braun suggested that possibly those "outside" goals could be broken down into some business plan years (such as 5, 4, 3) then there are longer term vision goals that do not have to be done by next meeting. To summarize, scoping before resources are being committed or IRP CPUC requirements then outline a VCEA long term process. Mr. Sears suggested that those ideas or approach should be presented to the Board at their June 6th meeting.

Ms. Hunter suggested that the CAC develop long term goals which may include 1st, 2nd or 3rd year actions, but that the CAC should come back to Staff and the Board for suggestions. Ms. Hunter liked the idea of being pre-emptive by looking at a variety of issues, priorities and goals.

**Integrated
Resource Plan
(IRP)
Prioritization of
Action Plan
Activities for
Years 1-3**

Public Comment: A person from the audience suggested that the CAC consider placing in the IRP that the Board will “develop a long-term plan...” or however, they would like to word it.

Mr. Braun supports Staff’s recommendation of outlining high operational priority action steps, then identifying the intention to come back to the Board with CAC’s long-term goals that will first need to be developed, resolved and planned for, but those goals would not feed into this IPR process. Mr. Sears reiterated that this will set the stage for the next Board meeting whereby the CAC presents a 1-3 year Action Plan and confirms with the Board on whether they agree with the priorities and descriptions suggested.

Recommendation on Suspension of Forward PCC-2 Renewable Procurement

Mr. Lawson reviewed the Staff report with those present asking that the CAC support Staff’s recommendation for the Board to adopt a resolution in summary 1) to suspend the current procurement of PCC2 until 2019 pending outcome of the California Energy Commission’s effort until we know how it is defined; 2) authorize the General Manager to reactivate PCC2 Renewable procurement should the ruling be favorable as to the treatment of PCC2 power; and, 3) require staff to return for additional authorization in the event that CEC’s change in Power Source Disclosure / Power content labeling requirements is not favorable.

Mr. Lawson reviewed the chart on page 59 of the packet showing 2019 carbon footprint and renewable input estimations under current assumptions. He also reviewed the chart on page 60 showing the same estimations but under the proposed report requirements.

Mr. Braun commented that by taking time off from PCC2 procurement, it will give the CAC the opportunity to see how it is generated, in what way, what the environmental impact is, and what are the implications of purchasing PCC2 power. Mr. Sears commented that yes, the VCEA has an environmental and fiduciary duty to look at all aspects of the type of energy procured.

There were no public comments made.

Ms. Hunter moved, seconded by Mr. Flynn to support Staff’s recommendation to the Board to suspend the procurement of PCC2 renewables. Motion passed by the following vote:

AYES: Braun, Aulman, Flynn, Springer, Baird, Hunter, Kristov

NOES: None

ABSENT: None

ABSTAIN: Shewmaker

Advisory Committee Member and Staff Announcements

Mr. Sears reminded those present that the VCEA Launch party is this Friday. He stated that the opt out rates was at approximately 2% and or large loads the opting out rate is at about 5.5-6%. He reminded those present that the economic modeling assumed a 10% opt out rate. Mr. Flynn asked if the large was agricultural or residential? Mr. Sears answer with agricultural. Ms. Hunter asked if Staff knew the reason as to why agricultural were opting out. Mr. Sears said that they did not like the automatic opting in. Ms. Hunter asked if Staff can look at the trends as to why they are opting out in the hopes of developing a process to get them back in. Mr. Sears stated that Mr. Parks and Cole were looking into the trends. Mr. Sears continued by stating that there were 28 residential opt ups. Mr. Sears also stated that Mr. Parks was looking at a marketing strategy top address opt outs.

Ms. Hunter announced that Cool Davis hosted a VCEA presentation and there was a good discussion amongst those who attended with the panel of speakers. Ms. Hunter asked Staff if she had heard Davis Councilperson Lucas Frerich correctly when he mentioned that City of Davis is requiring new commercial customers, a hotel she thinks, to opt up. Did she hear this correctly? Mr. Sears answered that she heard correctly, but it was his approach as the Interim General Manager he did not want to mandate customers to opt up but would rather leave this decision up to the customer.

Mr. Lawson announced that this Friday will also be the launch of Indian Valley hydro project.

Ms. Baird asked if VCEA will offer the same PG&E rates. Mr. Lawson stated that VCEA holds all tariffs that PG&E offered.

Mr. Sears thanked Mr. Lawson and the SMUD team for getting Indian Valley hydro, which is not a huge power supplier, but it is local.

Mr. Aulman announced that he would be doing a VCEA presentation on June 6th to the Woodland League of Women Voters. He will need a computer, projector and screen but that Ms. Shewmaker would confirm that they had a screen. He will also need a jump drive (USB port) with the PowerPoint presentation on it. He will be speaking with Jim Parks on the common questions asked.

Next Steps CAC Members are to go through the listed action plan items and prioritize them, then Staff will look at whether the Members are trending in the same direction/consensus. This information should be presented to the Committee at their July meeting to assist the Committee in making an IRP recommendation to the Board.

Next Meeting The next CAC meeting is scheduled for Monday, July 2, 2018 at 5:30 p.m. at the Woodland Community & Senior Center located at 2001 East Street, Woodland, CA 95776.

Meeting was adjourned at 8:13 p.m.

Alisa Lembke
Board Clerk/Administrative Analyst