

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 5

TO: Board of Directors
FROM: Alisa Lembke, Board Clerk / Administrative Analyst
SUBJECT: Approval of Minutes from December 14, 2023 meeting
DATE: January 11, 2024

RECOMMENDATION

Receive, review and approve the attached December 14, 2023 meeting Minutes.

Attachment: 12/14/23 meeting Minutes



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS MEETING
THURSDAY, DECEMBER 14, 2023**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting for Thursday, December 14, 2023 at 5:30 p.m. to be held at City of Davis Community Chambers located at 23 Russell Blvd., Davis, California 95616. VCE Chair Tom Stallard established that there was a quorum present and began the meeting at 5:01 p.m.

Board Members Present: Tom Stallard, Lucas Frerichs, Jesse Loren, Bapu Vaitla, Albert Vallecillo (Alternate – City of Winters)

Members Absent: Will Arnold, Mayra Vega, Mary Vixie Sandy

Welcome / Board Clerk Administering the Oath of Office to new Member(s) Chair Stallard welcomed the Board members. There were no new members present to give the Oath of Office.

Public Comment – General and Consent Chair Stallard opened the floor for public comment on both general and Consent agenda items. Written public comment on “Item 13 – Ratify Greenhouse gas (GHG) Free Attributes for 2024 accepting large hydro and rejecting nuclear” was read into the record from George Galamba, who supports taking nuclear attributes. There were no verbal public comments on general or Consent agenda items.

Approval of Consent Agenda / Resolutions 2023-014; 2023-015; 2023-017; and, 2023-018 As indicated above, there was one (1) written public comment on Item 13. Chair Stallard pulled “Item 13 – Ratify Greenhouse gas (GHG) Free Attributes for 2024 accepting large hydro and rejection nuclear” to the Regular agenda for further discussion.

Motion made by Director Frerichs to approve the Consent agenda items 3 through 12 and items 14 through 16, seconded by Director Loren. There were no written or verbal comments on these Consent items. Motion passed with Directors Arnold, Vega, and Vixie Sandy absent. The following items were:

3. Approved November 9, 2023 Board meeting;
4. Received 2023 Long Range Calendar;
5. Receive financial update: October 31, 2023 (unaudited) financial statement;
6. Received legislative update provided by Pacific Policy Group;



7. Received November 2023 Regulatory update dated December 6, 2023 provided by Keyes & Fox;
8. Received Community Advisory Committee November 16, 2023 meeting summary and 2023 Year End Task Group Reports;
9. Received VCE Grant/Program activity summary;
10. Received copy of Letter to amend Jim Parks agreement to extend term through December 31, 2024;
11. Approved Amendment 3 to Automate Mailing agreement to extend term through December 31, 2024 via Resolution 2023-014;
12. Approved Amendment 6 to Keyes & Fox agreement to extend term through December 31, 2024 and increase the not to exceed amount via Resolution 2023-015;
14. Designated Chief Operating Officer Gordon Samuel as the alternate to the California Community Power Agency (CC Power) Board of Directors;
15. Appointed Edward Burnham, Valley Clean Energy Director of Finance and Internal Operations as VCE's Auditor and Treasurer as Resolution 2023-017; and,
16. Authorize Executive Officer to enter into a letter agreement and amended power purchase agreement with Leeward Renewable Energy to address changes in the commercial operation date of the Willy 9 Chap 2 facility as Resolution 2023-018.

Item 13 – Ratify Greenhouse gas (GHG) Free Attributes for 2024 accepting large hydro and rejecting nuclear. (Action) / Resolution 2023-016

VCE Chief Operating Officer Gordon Samuel provided a brief background on VCE's approach and decision to reject nuclear GHG free attributes. Mr. Samuel informed those present that this subject and Staff's recommendation is reviewed by the Community Advisory Committee (CAC) prior to this subject/item coming to the Board. Over the past several years, VCE has accepted large hydro and rejected nuclear.

Staff and the Board discussed the benefits and detriments of accepting nuclear attributes. The Board asked that Staff come back to the Board with more information, including what other CCA's are doing, and provide a briefing on this subject. Written public comment from George Galamba was read into the record earlier on this item.

Verbal public comment: Christine Shewmaker stated that as a past CAC member, the CAC had vigorous discussions on this subject with a majority of the Members opposed to accepting nuclear attributes.

Verbal public comment: George Galamba restated verbally that he supports VCE accepting nuclear attributes.

Director Loren made a motion to:



1. accept the 2024 allocation of large hydro carbon free attributes paid for by VCE customers;
2. reject the 2024 allocation of nuclear power carbon free attributes;
3. ratify the Executive Officer's approval to enter into an agreement with PG&E to accept only the Large Hydro portion of the 2024 GHG free allocations;
4. as approved by the Board in December 2022, in the event the future attributes are made available to VCE and there are no material changes in VCE's position, staff will continue to bring this item to the Community Advisory Committee (CAC) and Board as part of their respective consent agendas; and,
5. directs Staff to gather information on nuclear attributes to have further discussions with the CAC first, then the Board.

This motion was seconded by Chair Stallard. Motion passed by the following vote:

AYES: Frerichs, Loren, Vaitla, Vallecillo (Alt.), Stallard

NOES: None

ABSENT: Arnold, Vega, Vixie Sandy

ABSTAIN: None

Item 17: Approve
2024 Operating
Budget and 2024
Customer Rates.
(Discussion/Action)/
Resolution 2023-019

VCE Executive Officer Mitch Sears introduced this item. VCE Director of Finance and Internal Operations Edward Burnham provided an overview of the proposed 2024 operating budget; reviewed VCE's near (2024) and mid/long (2024-2027) term financial outlook; reviewed 2024 rates and budget key objectives and factors; reviewed primary drivers of the 2024 budget with a focus on power purchase agreement contributions and portfolio trajectory; reviewed retail load (forecast versus actual); 2024 proposed rates; and, Staff's recommendation.

The Board and Staff discussed: the variance between forecasted and actual load; reserve goals; credit rating; rate discounts to all Customers; Customer programs and dividends; annual net margin; energy and transmission and distribution rates; opt out rates and returning Customers; incentives and other tools that VCE could offer; renewable and clean energy; and, long term planning and priorities.

Verbal Public Comment: Christine Shewmaker provided public comment that purchasing renewable energy has been a goal for VCE, along with keeping rates low, providing dividends and programs to its customers. She stated that low income and marginalized customers are a priority and keeping rates low for CARE/FERA customers and other rate options available, such as Standard Green, is important.



Verbal Public Comment: Marsha Baird provided public comment that as a Community Advisory Committee member and part of the Dividend Plan Task Group, which developed the Dividend Plan with staff, the idea was to revisit the plan, keep rates the same, then review whether or not VCE could provide a dividend to its customers on an annual basis.

Director Loren made a motion to:

1. Approve 2024 VCE Customer Rates:
 - a. Standard Green Rates for 2024 to match PG&E 2024 generation rates.
 - b. Base Green Rate 2.5% lower than PG&E 2024 generation rates
 - i. Automatically provide CARE and FERA customers the lowest rate (Base Green)
2. Approve 2024 Budget with \$106.5M of operating revenues and \$82M of operating expenses for a net income of \$24.5M.
3. Approve prepayment of \$185K for retirement of term loan with River City Bank by December 31, 2023

This motion was seconded by Director Vaitla.

Chair Stallard made a substitute motion to reduce 2024 customer rates by 2%. There was no second to this motion. Vice Chair Frerichs commented that he is in alignment with setting VCE apart from the IOU. He would like Staff to prepare some information on rate options for the Board to review and discuss.

The motion made by Director Loren, seconded by Director Vaitla was voted on. The Motion passed as Resolution 2023-019 by the following vote:

AYES: Frerichs, Loren, Vaitla, Vallecillo (Alt.)

NOES: Stallard

ABSENT: Arnold, Vega, Vixie Sandy

ABSTAIN: None

Item 18: Approve 1) Amendment 3 to VCE's Joint Exercise of Powers Agreement (JPA) and 2) adopt a Director Compensation and Expense

Mr. Sears introduced this item and provided a brief review of the proposed Amendment and Policy. There were no verbal or written public comments.

Motion made by Director Frerichs to approve resolution:

(1) amending the Joint Powers Agreement (JPA) section 3.6 Director Compensation; and,

(2) adopting a Board Compensation and Expense Reimbursement Policy.

This motion was seconded by Director Loren. Motion passed as Resolution 2023-020 by the following vote:

AYES: Frerichs, Loren, Vaitla, Vallecillo (Alt.), Stallard



Reimbursement
Policy.
(Discussion/Action)
/ Resolution 2023-
020

NOES: None
ABSENT: Arnold, Vega, Vixie Sandy
ABSTAIN: None

Item 14: Board
Member and Staff
Announcements

Director Loren thanked all who came out to the Electric Vehicle Charger event in Winters. Director Vallecillo stated that it was a great event.

Vice Chair Frerichs thanked Chair Stallard for his service as Chair this past year.

Mr. Sears informed those present that VCE and CalCCA are tracking a ballot initiative for the November 2023 ballot on fees and taxes that may impact CCA's rate setting. He informed those present that the resource adequacy structure is changing to "slice of day" in 2025 instead of using the 24-hour time frame. Mr. Samuel informed those present that Staff will be looking at the impacts to VCE's power portfolio.

Mr. Sears thanked Director Stallard for serving as Chair.

Announcement

The Board's next regular meeting is scheduled for Thursday, January 11, 2024 at 5:30 p.m. at the City of Woodland Council Chambers located at 300 First Street, Woodland, California 95695. There being no further business to discuss the meeting was adjourned at 7:16 p.m.

Alisa M. Lembke
VCEA Board Secretary