

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Agenda Item 5

TO: Valley Clean Energy Alliance Board of Directors
FROM: Alisa Lembke, VCEA Board Clerk/Administrative Analyst
SUBJECT: Approval of Minutes from December 13, 2018 Board Meeting
DATE: January 23, 2019

RECOMMENDATION

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



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS SPECIAL MEETING
DECEMBER 13, 2018**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their Special meeting scheduled for Thursday, December 13, 2018 at 5:30 p.m. at the City of Davis Community Chambers, located at 23 Russell Boulevard, Davis, California 95616. Chairperson Lucas Frerichs established that there was a quorum present and began the meeting at 5:32 p.m.

Board Members Present: Lucas Frerichs, Tom Stallard, Angel Barajas, Dan Carson, Don Saylor

Board Members Absent: Duane Chamberlain

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| Approval of Agenda | Director Saylor make a motion to approve the December 13, 2018 Agenda, seconded by Director Carson. Motion passed unanimously with Director Duane Chamberlain absent. |
| Public Comment | Chairperson Frerichs opened the floor for public comment. There being none, the floor was closed. |
| Approval of Consent Agenda | Director Stallard made a motion to approve the Consent Agenda, seconded by Director Barajas. Motion passed unanimously with Director Chamberlain absent. |
| Approval of Minutes from November 1, 2018 and November 15, 2018 Board Meetings | Director Stallard made a motion to approve the November 1, 2018 Special meeting minutes and the November 15, 2018 Special meeting minutes, seconded by Director Barajas. Motion passed unanimously with Director Chamberlain absent. |
| Receive Long Range Calendars | Director Stallard made a motion to receive the Long-Range calendars, seconded by Director Barajas. Motion passed unanimously with Director Chamberlain absent. |
| Receive Financial Update – October 31, 2018 (unaudited) financial statements | Director Stallard made a motion to receive the financial update – October 31, 2018 (unaudited) financial statements (with comparative year to date information) and Actual vs. Budget year to date ending October 31, 2018, seconded by Director Barajas. Motion passed unanimously with Director Chamberlain absent. |
| Receive Regulatory Update | Director Stallard made a motion to receive the regulatory monitoring report dated December 5, 2018 prepared by Keyes & Fox, seconded by Director Barajas. Motion passed unanimously with Director Chamberlain absent. |



Receive Customer Enrollment Update	Director Stallard made a motion to receive the Customer Enrollment update as of December 7, 2018, seconded by Director Barajas. Motion passed unanimously with Director Chamberlain absent.
Community Advisory Committee Report	Director Stallard made a motion to receive the Community Advisory Committee’s report of their December 3, 2018 meeting, seconded by Director Barajas. Motion passed unanimously with Director Chamberlain absent.
Amendment 6 to SMUD Agreement, Task Order 4 / Resolution 2018-032	Director Stallard made a motion to adopt a resolution titled “A Resolution of the Valley Clean Energy Alliance approving Amendment 6 to the Sacramento Municipal Utility District (SMUD) Professional Services Agreement for operational Staff Services Task Order 4”, seconded by Director Barajas. Motion passed unanimously with Director Chamberlain absent.
Consideration of Appointment of Woodland Resident to Vacant Seat on the Community Advisory Committee	<p>Interim General Manager Mitch Sears introduced this item and reiterated that the Board is being asked to consider appointing Ms. Christine Casey to the vacant City of Woodland seat on the Valley Clean Energy Community Advisory Committee (CAC). Director Stallard made a motion to appoint Ms. Casey to the City of Woodland vacancy on the CAC for a three-year term, expiring 2021, seconded by Director Barajas. Motion passed unanimously by the following vote:</p> <p style="padding-left: 40px;">AYES: Frerichs, Stallard, Barajas, Carson, Saylor NOES: None ABSENT: Chamberlain ABSTAIN: None</p> <p>Director Carson asked the status of filling the vacation Yolo County seat on the CAC. Mr. Sears informed those present that outreach continues with Yolo County. Director Carson also confirmed with Staff that the seat is vacant for a resident who lives in the unincorporated areas of Yolo County.</p>
PCC-2 Procurement for 2019 / Resolution 2018-033	<p>Ms. Sears introduced this item by reviewing briefly the history of the Board postponing in June 2018 the procurement of PCC-2 renewable energy and informed those present that the CAC at their last meeting, approved recommending that the Board adopt Staff’s recommendation to resume the procurement for 2019 needs</p> <p>VCE Staff Gary Lawson reviewed the background of PCC-2 and the effects of Assembly Bill 1110 (AB 1110) which directs the California Energy Commission (CEC) to develop methodology for calculating greenhouse gas emissions (GHG) intensity for inclusion on the annual power content label required for all load serving entities. In addition, new CCAs are given the option to not report GHG emissions for 24 to 36 months following formation (2019 and 2020). These are considered bridge years, in 2020 a large portion of procurement should be from PCC-1 so the PCC-2 would be lower. Mr. Lawson reminded those present that in June 2018 upon Staff recommendation, the Board suspended PCC-2 procurement until the CEC adopted new rules related to the Power Source Disclosure / Power Content Label requirements for California load serving entities. Currently, the</p>



CEC has not issued a rulemaking on the AB 1110 changes and Staff anticipate that the rulemaking will not be issued until sometime in 2019.

Chairperson Frerichs opened up the floor for Board questions. Several issues were discussed, such as: the need to move forward with procurement, data reliability to make policy decisions, why CEC is delaying their decision, the greenhouse gas (GHG) reporting requirements, and content renewable content of PCC-2 power.

Chairperson Frerichs opened the floor to public comment. There being none, the comment period on this item was closed.

Director Carson made a motion to approve a resolution titled “A Resolution of the Valley Clean Energy Alliance Board Authorizing Staff to Resume the Procurement of PCC-2 Renewable Power for Valley Clean Energy Alliance’s Projected 2019 Needs”, seconded by Director Saylor. Motion passed unanimously by the following vote:

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

Power Charge
Indifference
Adjustment (PCIA)
Update

Mr. Sears reviewed the Board’s decisions made at their November 15th meeting:

1. adopted a minimum VCE net margin (after bank loan principal payments) target of 5%;
2. postponed enrollment of Net Energy Metering customers until at least January 2020 with a reassessment of enrollment date in mid-2019;
3. for 2019, adopted electric generation rates identical to PG&E, after factoring the Power Charge Indifference Adjustment (PCIA) imposed by regulatory agencies;
4. study the possibility of adopting a new rate structure featuring an annual dividend rebate structure to be implemented starting in July 2019;

Mr. Sears provided an update:

- 1) PG&E missed their deadline to have the California Public Utilities Commission (CPUC) adopt the proposed decision (PD) at their December meeting. The CPUC is scheduled to adopt the PD at their January 10th meeting. If adopted, the PCIA rates would be in effect at the earliest on March 1st, possibly later. However, 12 months of rates are amortized out over the course of 10 months or however many months are remaining in the calendar year from the effective date;



- 2) VCE will be working to correct CEC forecast errors in 2019 in regard to the Resource Adequacy (RA) forecast increase; and,
- 3) Confirmed the Board's action of November 15, 2018 to match PG&E rates beginning January 2019.

Chairperson Frerichs opened the floor for Board discussion. Chairperson Frerichs asked that during the NEM enrollment delay Staff and the CAC look at potential options and focusing on marketing/customer outreach efforts

Director Carson would like to start looking at long term planning once the numbers are determined and things calm down.

Mr. Sears commented that Staff will be looking at the CAC being engaged in possible NEM options and the year-end dividend idea in the hopes that Staff will bring information back to the Board at mid-year.

Chairperson Frerichs opened the floor to public comment.

City of Davis resident Gerry Braun provided comments about being a NEM customer and the other options that should be pursued, such as rate setting. He stressed that NEM customers are VCE's best advocates and co-patriots and should be enrolled as soon as possible.

Resident Jeff Pacchinski who is a NEM customer is unhappy with the enrollment delay. He is now contemplating opting out, getting his own storage, and going completely off the grid.

Chairperson Frerichs thanked those for their public comments. There being no further public comment, the period was closed.

VCE Staff Jim Parks reviewed the PCIA marketing plan, outreach messaging and strategy, and current outreach efforts / status.

Board Member and Staff Announcements

Director Saylor announced that the Yolo County Board of Supervisors approved the 2019 roster of assignments announcing that he and Supervisor Gary Sandy will serve on the VCE Board, with Supervisor Duane Chamberlain serving as an alternate.

Mr. Sears reviewed a Monthly Call Center report and the Customer enrollment update. He informed those present that the CalCCA Board met today and reviewed regulatory and legislative issues and discussed what CalCCA's objectives are in the legislature. He also informed those present that he was invited and spoke at the California Partnership for the San Joaquin Valley on a variety of issues, such as air quality, education, energy, economics and water. They are possibly interested in



forming a CCA. He said there were good questions asked and great interaction between all who attended.

Chairperson Frerichs announced that the next scheduled VCE Board meeting has been scheduled for Thursday, January 10, 2019 at 5:30 p.m. at the City of Woodland Council Chambers, 301 1st Street, Woodland, CA 95695.

Election of Chair and Vice Chair (Effective January 2019)

Chairperson Frerichs nominated Tom Stallard as VCE Chair and Director Saylor nominated Gary Sandy as VCE Vice Chair for the 2019 calendar year, seconded by Director Stallard. Motion passed unanimously.

Mr. Sears thanked the 2018 Board and appreciated the leadership of the Chair and Vice Chair this past year. He also commented that having a Board subcommittee has been helpful.

Adjournment

Chairperson Frerichs announced that there being no further regular business to be addressed by the Board, the meeting would be adjourned, and a ceremonial presentation would follow to recognize VCE's 2nd Anniversary.

Meeting was adjourned at 6:26 p.m.

Alisa M. Lembke
Board Clerk/Administrative Analyst