

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 5

TO: Valley Clean Energy Alliance Board of Directors

FROM: Mitch Sears, Sustainability Manager, City of Davis
Regina Espinoza, Sustainability Manager, Yolo County
Shawn Marshall, LEAN Energy US

SUBJECT: VCEA Implementation Update

DATE: May 9, 2017

BACKGROUND & DISCUSSION: The following program implementation related topics are addressed in this report:

- A. Multi service RFP selection process update.
- B. Banking and Credit Services RFP update.
- C. Community outreach/website update.
- D. Summer meeting schedule.
- E. YCPARMIA Insurance Update.

A. Multi service RFP selection process update

Interviews have been conducted in each of the three service categories by the VCEA Evaluation team (VCEA Advisory Committee Members and staff). The Technical/Energy Services category interviews were completed in late-March and the Data/Call Center and Community Outreach interviews were completed the first week of May.

Based on Board direction, recommendations will be finalized with the new CEO and presented to the Board for consideration at the June VCEA meeting. This schedule is consistent with a Spring 2018 launch of service.

B. Banking and Credit Services

At the Board's direction, staff released an RFP for banking and credit services that closed on April 27, 2017. VCEA received multiple conforming proposals were received and are currently under review. It is anticipated that the final review and recommendation will include VCEA's CEO and staff is planning to return to the Board with this item at its June meeting.

As a reminder, the following key components were included in the RFP:

- 1) Requesting a line of credit (LOC) for up to approximately \$7,000,000 which uses the estimated amount in the CCE technical study and incorporates anticipated costs associated with Woodland participating and contingency funds; this LOC will cover additional pre-revenue costs, credit for power contracts, and working capital for early operations;
- 2) Stated preference to do business with a bank that has headquarter and/or branch operations within Yolo County;
- 3) Credit terms are requested with and without guaranty requirements; it is likely that a guaranty will be required for at least the pre-revenue portion of credit drawn down;
- 4) Lender is asked to provide capitalization limits and must be a member of the Federal Reserve System or Federal Deposit Insurance Corporation; and,
- 5) Credit and banking services may be awarded to a single or multiple financial institutions depending on operational and credit capacity and terms offered.

C. Community outreach/website update

As noted at the last VCEA Board meeting, Staff have retained Floyd Communications to provide interim outreach assistance until VCEA completes contracting for Community Outreach/Marketing/Customer Notification under its current RFP process. Floyd Communications is a Sacramento based firm that has worked with the Woodland-Davis Clean Water Agency and the City of Woodland. They also have experience with energy industry outreach. Consistent with general contracting authority granted to Staff by the Board, services will be provided on a time and materials basis not to exceed \$5,000. The scope of work includes assistance with general messaging and website content/basic design development. Interim outreach services will be flexible so they easily integrate with and support the work of the consultant firm eventually selected to provide outreach services for VCEA.

D. Summer meeting schedule

Once the CEO is on board, there may be a need for additional Board meetings throughout the summer or possibly fall to adhere to the critical dates timeline and achieve a Spring 2018 program launch. Staff will be updating its planning matrix and will follow up with Board members regarding summer travel schedules to ensure that a quorum can be met for any additional meetings.

Currently Staff are anticipating the need for additional meetings in June, July, and potentially August to allow for the integration of potential new Board members (City of Woodland), and the development of the VCEA Implementation Plan. The Plan includes setting goals and initial rates along with other key policy decisions that will shape the VCEA launch of service. In addition to its regular meeting dates of June 13th and July 11th, Staff suggests that the VCEA Board designate Tuesday June 27th and Tuesday July 25th as on-call meetings to be scheduled if the Board needs additional time to finalize the Implementation Plan.

E. YCPARMIA Insurance Update

The application for insurance coverage has been submitted to YCPARMIA. Based on communications with YCPARMIA, staff anticipates action by YCPARMIA's Board of Directors at their meeting in Late May and coverage to be in place by June.