

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 6

TO: Board of Directors
FROM: Alisa Lembke, Board Clerk / Administrative Analyst
SUBJECT: Approval of Minutes from June 9, 2022 meeting
DATE: July 14, 2022

RECOMMENDATION

Receive, review and approve the attached June 9, 2022 meeting Minutes.



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS REGULAR MEETING
THURSDAY, JUNE 9, 2022**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting scheduled for Thursday, June 9, 2022 at 5:00 p.m., to be held via Zoom webinar. Chair Loren established that there was a quorum present and began the meeting at 5:01 p.m.

Board Members Present: Jesse Loren, Tom Stallard, Dan Carson, Don Saylor, Lucas Frerichs, Mayra Vega

Members Absent: Gary Sandy, Wade Cowan

Welcome Chair Loren welcomed everyone.

Public Comment – General and Consent Board Clerk informed those present that there were no verbal or written public comments on general items or those on consent.

Approval of Consent Agenda / Resolution 2022-015 through Resolution 2022-017 Motion made by Director Dan Carson to approve the consent agenda items, seconded by Director Tom Stallard. Motion passed with Directors Gary Sandy and Wade Cowan absent. The following items were:

3. Authorized to continue remote public meetings as authorized by Assembly Bill 361;
4. Approved May 12, 2022 Board meeting Minutes;
5. 2022 Long Range Calendar;
6. Received April 30, 2022 (unaudited) financial statement;
7. Received Legislative update provided by Pacific Policy Group;
8. Received June 2, 2022 Regulatory update provided by Keyes & Fox;
9. Received Community Advisory Committee May 26, 2022 meeting summary;
10. Approved Amendment 4 of Pacific Policy Group agreement to extend through December 31, 2022 and increase the not to exceed amount via Resolution 2022-015;
11. Approved Amendment 2 to Automate Mailing agreement to extend 18 months through December 31, 2023 and increased the not to exceed amount via Resolution 2022-016;
12. Received report on resumption of Customer Opt-Out Fees;
13. Received progress update on VCE 3-Year Programs Plan; and,



14. Approved updated VCE Legislative and Regulatory Policy and Procedure via Resolution 2022-017.

As mentioned above, there were no verbal or written public comments.

Item 15: Receive Net Energy Metering (NEM) 3.0 update. (Information)

VCE Executive Officer Mitch Sears introduced this item and VCE Staff Rebecca Boyles provided an update on Net Energy Metering (NEM) 3.0.

Director Carson mentioned that the City of Davis Council adopted a resolution numerous months ago asking that the California Public Utilities Commission (CPUC) to slow down the proceeding and take a closer look at the issues. There were a couple of items in the City's resolution that possibly VCE should mimic in its language and submit to the CPUC, such as: 1) before the CPUC made a proposed decision that there be "clear and unbiased expert analysis available" to demonstrate how the proposed components of the proposal would affect typical NEM and non-NEM residential customers with different levels of income and who reside in the different IOU jurisdictions; 2) that there be a full cost accounting made of all of the benefits for our local communities in the statewide electricity grid from the current ending policies that encouraged the rapid adoption of residential solar; and, 3) urge the CPUC to look at alternative approaches that strike a different balance between NEM and non-NEM customers that pose lower risks to our solar initiatives to address climate challenges and that make needed changes in a less abruptive and disruptive method.

Director Tom Stallard commented that it is a complicated subject, with many economic issues. Battery technology is progressing rapidly and the future of utilities will look different than it looks today. There are many factors that go into this issue and he would like to suggest that VCE watch and track what other CCAs are doing in order to develop a position later.

There were no written public comments.

Verbal Public Comment: George Galamba informed those present that he has solar and is a member of the Solar Rights Alliance. He thanked Director Stallard for his thoughtful insights. He and others recognize the issue as more people buy less electricity that leaves less money available to maintain the grid which has to be made up by someone. He does not agree with punishing somebody for the commitment to solar panels. If this is passed, it will eliminate any incentive going forward to install solar



panels. Most solar residential homes do contribute to supporting the grid. The current proposal punishes people who have solar panels but does not punish those who are using little to none because their home is vacant or are using efficient appliances. The problem needs to be dealt with but they need to go back to the drawing board and look at different ways to support the grid. He hopes that VCE will keep this mind.

Chair Loren expressed that VCE should continue to watch. No further comments by the Board.

Item 16: Receive presentation on VCE Electricity Load and Financial Forecasting. (Information)

Mr. Sears introduced this item informing those present that this is a summary of 3 presentations provided to the Community Advisory Committee (CAC) on load and financial forecasting. VCE Staff Gordon Samuels provided an overview of the role of load and power costs forecasting. He focused on the role of load, providing information on retail load by customer class, VCE territory historical temperature data, and impact of electric vehicle (EV) adoption and electrification. VCE Staff Edward Burnham presented a summary of the role of power costs in forecasting, focusing on total power costs, revenue and budget risks and corrective actions taken; and, the source of information used in forecasting and how it is related.

The Board asked a few questions about the information presented. There were no verbal or written public comments.

Item 17: Receive report and provided feedback on updated draft Customer Rate/Product options. (Information/Discussion)

Mr. Sears reminded those present that the purpose of this item is to re-introduce the possible expansion of customer rates options, gather input from the Board and suggest next steps. He noted that the CAC has received several presentations on this item and Staff have received their feedback which is incorporated into the Staff Report. Mr. Burnham reviewed the policy drivers for this item, primary rate setting considerations, the addition of a customer rate option, CCA/PG&E comparison chart, current customer rate/product options and analysis, CAC initial feedback, reserves timeline, and initial findings.

The Board asked questions and discussions occurred on financial stability; bond rating; providing low generation rates to customers – lower than PG&E's offering; the percentage of customers that would be eligible for the 3rd option; the opt out rate of other CCAs who have a similar rate option; scenario analysis of opt outs and opt downs; how to best address equity of rates to customers; and, rate cost sensitivity. Staff received



input from the Board and were asked to come back with some additional information. There were no verbal or written public comments.

Item 18: Board
Member and
Staff
Announcements

Chair Loren congratulated Lucas Frerichs for being Yolo County's newest Board Supervisor.

Director Don Saylor informed those present that the Yolo County Climate Action Commission has been given a charge to assist with some work, which includes among other things, to identify some early action investments. The Yolo County Board of Supervisors allocated one million dollars from the ARP (American Rescue Plan) accounts for the Commission to address specific things that might make a difference. A few concepts have been identified of which two were submitted by VCE: 1) energy retrofit outreach and 2) 100% renewable for Yolo County accounts.

There were no other Board announcements.

Mr. Sears informed those present that the Biden Administration took action on solar tariffs setting them aside for two (2) years for those 4 countries that were subject to the tariffs. One of VCE's larger projects was directly impacted by those potential tariffs and investigation by the Department of Commerce. This action partially addresses some of the issues we are seeing in the utility scale - solar plus battery storage sectors. VCE has been in contact with one of VCE's project developers and as a result, Staff will most likely be back to the Board with contract adjustments.

He briefed those present on Provider of Last Resort (POLR), which is a back stop to load serving entities, like a CCA, when the entity goes out of business, what happens to those customers within their service territory. In this situation, the customers are returned to the Investor Owned Utility (IOU). The CPUC has directed investigation about what could be the framework for creating that type of back stop for POLR. VCE is engaged with CalCCA in that CPUC proceeding.

Mr. Sears informed those present that VCE has received initial 2023 PCIA and PG&E rate forecast which is historically fluid. Staff's initial assessment is that our net forecast of rates and PCIA are relatively accurate. The AgFIT program is moving forward on full implementation. VCE submitted a petition to modify the CPUC's decision on administrative costs for this project, said petition to modify was approved.



Lastly, VCE had a booth at the Celebrate Davis event which had a good turnout. Staff and CAC members assisted answering questions and giving out bike lights and stickers to those who visited the booth. VCE is in the process of assisting Yuba County in their investigation and assessment of their CCA options. Staff will come back to the Board as that conversation develops.

Chair Loren announced that the Board's August 11, 2022 regular meeting has been cancelled. The next regular meeting is scheduled for Thursday, July 14, 2022 at 5 p.m.

Adjournment

Chair Loren adjourned the regular Board meeting at 6:18 p.m.

Alisa M. Lembke
VCEA Board Secretary