

**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE
BOARD OF DIRECTORS
SPECIAL MEETING
September 20, 2017**

The Board of Directors of the Valley Clean Energy Alliance met in regular session beginning at 5:30 p.m. in the Yolo County Board of Supervisors Chambers, 625 Court Street, Woodland, California, 95695.

Board Members Present: Angel Barajas, Robb Davis, Lucas Frerichs, Don Saylor, Tom Stallard

Board Members Absent: Duane Chamberlain, Skip Davies (Alternate)

Approval of Agenda A. Barajas moved, seconded by L. Frerichs to approve the agenda. Motion passed by the following vote:
AYES: Barajas, Davis, Frerichs, Saylor, Stallard
NOES: None
ABSENT: Chamberlain

Public Comment None

Approval of Consent Agenda Approval of:
• Minutes from July 25, 2017 and August 31, 2017
• Resolution moving regular VCEA Board meetings to the second Thursday of
• Long Range Calendar

L. Frerichs moved, seconded by T. Stallard to approve the agenda. Motion passed by the following vote:
AYES: Barajas, Davis, Frerichs, Saylor, Stallard
NOES: None
ABSENT: Chamberlain

Receive Administrative/Organizational Update VCEA Interim General Manager M. Sears provided updates.
SMUD Contract:
Staff initiated SMUD contract discussions and will be seeking feedback from Advisory Committee's RFP Subcommittee. Staff anticipates returning to the Board for direction on a final draft contract at the October 12th Board meeting.

Banking Services:
Three proposals were received in response to VCEA's RFP for banking and credit services. As the SMUD contract might affect the scope of

banking services required by VCEA, the process was placed on hold. Interviews with banking institutions will commence later this fall. Staff anticipates returning to the board with a recommendation of a banking institution at the November board meeting.

VCEA Program Calendar:

Staff is in the process of refining the program master schedule based on Board direction to contract with SMUD. Staff and consultants are working with the SMUD team on an integrated planning schedule to cover the remaining months of implementation into program launch next June.

Month/Meeting	Topic	Actions
September 20 - BOD	<ul style="list-style-type: none"> Implementation Plan VCEA Logo/Marketing plan 	Discussion/Direction on Direction
September 27 - CAC	<ul style="list-style-type: none"> Implementation Plan/Resource Targets 	Discussion/Feedback
October 12 - BOD	<ul style="list-style-type: none"> Implementation Plan/Power supply Targets SMUD Services Contract Review Staffing Plan VCEA Logo and Outreach Plan 	Discussion/ Action Approval Discussion Approval
October 16	<ul style="list-style-type: none"> Submit Implementation Plan to CPUC 	Staff Action Item
November 4 - CAC	<ul style="list-style-type: none"> Review Load Forecasts Outreach Materials (e.g. web site) 	Discussion/Feedback Discussion/Feedback
November 9 - BOD	<ul style="list-style-type: none"> Review/Approve Load Forecasts/Procurement Approach Presentation on Energy Trading and Risk Policies Presentation on Customer and Data Services Pre-Launch Activity Outreach Materials (e.g. web site) 	Action Discussion Discussion Discussion/Direction

Month/Meeting	Topic	Actions
December 4 - CAC	<ul style="list-style-type: none"> Review Preliminary Financials Review Initial Rate Structures 	Discussion Discussion
December 14 - BOD	<ul style="list-style-type: none"> Discuss Power Mix Targets Review Financials/Adopt Reserve Policy Approve Target Rates for FY 2018-2019 Approve Energy Trading and Risk Mgmt Policies 	Discussion/Feedback Action Action Action
January 1	<ul style="list-style-type: none"> Begin power procurements 	SMUD Action
January 11 - BOD	<ul style="list-style-type: none"> Review remaining Agency policies 	Discussion
February 5 - CAC	<ul style="list-style-type: none"> TBD 	
February 8 - BOD	<ul style="list-style-type: none"> Approve final power mix Approve remaining policies 	Action Action
March 5 - CAC	<ul style="list-style-type: none"> Preview Fiscal Year Budget 	Discussion/Feedback
March 8 - BOD	<ul style="list-style-type: none"> Approve FY 2018-2019 Budget Final Rate Approval 	Action Action

VCEA Branding and Communications Strategy Update

Ray Quickly, Director of Communications for Circlepoint, presented three draft logos and the draft Outreach Plan for board feedback. Circlepoint will gather input from the Advisory Committee and return the finalized logo and outreach plan for board approval at the October 12 board meeting.

1. Logo Presentation:

- The goals of a logo are to clearly community VCEA’s story of local, clean-energy, and to distinguish VCEA from competition. Three draft logos presented.

Board member questions are summarized as follows:

- What happened to the word “Alliance”? Was there a reason it was removed?
- Unanimous board preference for the Logo Option #2. It feels cleaner, warmer, the Berryessa gap is a meaningful local reference.

Responses from staff, consultants are summarized as follows:

- While we do recognize the value of the word alliance, for the purpose of brevity in audience communication it was shortened. This is common among other CCAs.

2. Outreach Plan Presentation:

- The draft communication plan is a roadmap for all outreach activities. The plan’s goals are to educate and inform public, establish recognition and trustworthiness of the VCEA brand, maximum opt ups, minimize opt outs.

Board member questions are summarized as follows:

- What does “opt up” mean?
- How are we utilizing Advisory Committee?

3. How will Circlepoint assess trust?

Responses from staff, consultants are summarized as follows:

1. The default energy product is a lower clean energy product. Customers have options to “opt-up” to more renewable energy products.
2. Circlepoint met with the Advisory Committee to receive initial feedback on the Outreach Plan, they will be included in developing the plan moving forward.
3. Circlepoint will evaluate initial levels of trust by circulating an online survey & print piece survey at community events. They will then conduct the survey later in the process to assess if the levels of trust have changed.

Board member suggestions for Outreach Plan are summarized as follows:

- Advertising on Unitrans
- Magazines
- Univision
- NextDoor
- Farmers Markets
- Woodland Chamber e-blasts
- County library info boards
- Woodland library info boards
- Senior Centers in Davis & Woodland
- Veterans Memorial Center in Davis
- All public buildings in the VCEA jurisdictions
- Speakers bureau for presentation at various community groups (Rotary, Odd Fellows, Kiwanis, etc.)
- Angel Barajas will email specific suggestions for Spanish community outreach
- Op-eds in local papers
- It is worth considering which strategies will get VCEA the most exposure and what is the most cost effective use of funds

Responses from staff, consultants are summarized as follows:

- Campaign will be multi-lingual
- Website will be multi-lingual
- In working with other CCE’s senior tool-kits have been useful.
- Circlepoint will provide the board members with tool-kit and direction about what/when to share on FaceBook
- VCEA has a unique opportunity to utilize SMUD as a partner and sounding board in the creation of our outreach plan.

Discussion of
VCEA
Implementation

Gary Lawson, SMUD, and Interim General Manager Mitch Sears conducted this working session to gather initial board feedback regarding key policy items within the Implementation Plan.

Plan

Each CCA is required by statute to create and file an Implementation Plan with the CPUC. This plan is certified by the CPUC within 90 days after filing. The Implementation Plan provides an overview of work that VCEA will be undertaking. The plan does not provide detailed inventory of programs and future actions. It is possible to amend the Implementation Plan as VCEA moves forward.

Board is asked to provide feedback and direction on core content items:

1. Governance
2. Administration and Finance
3. Tariff structure and Rate Design
4. Customer Enrollment Strategy
5. Power Product Offerings and Clean Power Targets
6. Complementary Energy Programs
7. Risk Management

Boardmember questions and staff/consultant responses are summarized as follows:

1. Governance

- Board agrees with the staff recommendation.

2. Administration and Finance

- Board would like to review the lengths of time (beyond the state mandated 60 days) that other CCA's waive exit fees.
- Staff will review, but believes it is generally 6 months – 1 year.

3. Tariff structure and Rate Design

Board Questions

1. VCEA would like to reward customers for generating their own energy. Is this an appropriate place to go into this detail?
2. Is this the appropriate location to include energy efficiency incentives and local power generation?
3. If VCEA matches the rate structure, is VCEA obligated to offer a similar type of product?
4. To clarify, in this plan we are not specifying rates, we are setting process and aspirational goals. It is possible to amend the plan at a later time?
5. Will peak-day pricing be a part of our rate structure? Do our rates have to be approved by CPUC?
6. Is it appropriate to state that one of our goals is to have multiple year rates? This stability would be appreciated by our customers.

Staff Response

1. Rewarding customers with personal energy generation can be expressed as a high-level aspiration and goal.
2. Energy efficiency incentives and local power generation can be expressed in the resource section which discusses the intention of VCEA
3. VCEA can have a similar rate structure in that the rate classes will be similar to PG&E. However, the attributes of the tiers are a separate matter.
4. The plan does not specify rates and is amendable.
5. It is discretionary whether VCEA uses peak-day pricing. VCEA rates are not subject to CPUC approval.
6. Plan can include VCEA's goal to have multiple year rates and offer stability to customers.

4. Customer Enrollment Strategy.

- Board agrees with staff recommendation.

5. Power Product Offerings and Clean Power Targets

Board Questions

1. What are PCC-3 unbundled RECs?
2. Can you define PCC-3?
3. In Marin did they start with two products, and then added 100% renewable, locally generated energy product later?
4. Board re-affirms goal is to avoid PCC-3s and re-states preference for locally generated energy.

Staff Response

1. PCC-3 unbundled RECs are the least expensive RECs on the market. Many CCEs use PCC-3s to keep their costs down. Based on Board direction, it will be VCEA's intention not to utilize PCC-3. However, the plan will allow flexibility.
2. PCC-3 or Prior Content Category 3 refers to one of three category (or "buckets") of renewable energy. It is the least expensive, but also the least preferable of the three categories.
3. Yes, the norm is to start with two products and then add 100% renewable product at a later point.

6. Complementary Energy Programs

Board Response

1. Board would like to articulate the goal of producing renewable

energy at the local level. Either in this portion of the plan, or elsewhere, as needed.

Staff Response

1. We will include language that supports local renewable energy generation, while allowing VCEA maximum flexibility as we move forward.

7. Risk Management

Board Questions

1. What do we mean by “enterprise”?
2. To clarify, we have not established policies. The implementation plan indicates our intent to establish policies, correct?
3. Board remains very interested in the Advisory Committees feedback on risk management policies moving forward.

Staff Response

1. In this context “enterprise” refers to managing risk to ongoing operations. For example, changes in state regulations and legislation might pose risks, which would be mitigated with strategic responses. Risks might also include customer-based policies.
2. Correct.

Timing and Next steps

Staff Recommendations:

- July 25: Initial Board Briefing and Approach (complete)
- September 11: CAC Briefing and Discussion (complete)
- September 20: Board Policy Discussion #1
- September 27: CAC Discussion #2 (with updated load analysis)
- October 12: Board Policy Discussion #3; Plan Adoption w/direction re: Any amendments
- October 16: Submit Approved Plan to CPUC review (up to 90 days)

Board Question

- What is the significance of Oct 16?

Staff Response

- It is tied to the April 2018 launch date. It is critical path item to submit our Implementation Plan by October 16.

Shawn Marshall, LEAN Energy provided updates.

Integrated Resource Planning

It is anticipated that the first integrated resources plan for CCAs will be due middle of 2018. This should not impact near-term procurement/launch efforts. However, it does require a ten-year look out and is likely to commence in 2020.

Power Charge Indifference Adjustment

CCA directors and lawyers had a strategy discussion today.

Portfolio Allocation Method (PAM) was turned back, and it is now in open proceeding, which ensures a much more open and inclusive process.

VCEA will become a party at the commission as soon as the implementation plan is certified in the first quarter of 2018.

Bond Methodology

Current bond requirement is one hundred thousand dollars posted with CPUC that remains in place for the duration of the program. This bond requirement has come under scrutiny and calls for reform. The IOUs have submitted proposals that potentially significantly increase the bond requirement. It is likely that VCEA will be grandfathered. The element that LEAN Energy will continue to monitor is what bond requirements might be triggered when CCAs choose to expand their service territory. In the near term, VCEA is expected to be unhindered.

2017 Legislative Session Recap

Thanks to the hard work of many advocates, including VCEA's board and Advisory Committee, CCAs fared well in the 2017 legislative session.

Moving forward, the three issues of concern will be:

- 1) Maintaining procurement autonomy. Unlike SMUD, VCEA does not have the same degree of freedom in terms of long term procurement planning. We will have some oversight by the CPUC. How much is yet to be determined.
- 2) How green gas attributes are calculated. Receiving credit for carbon-free content is critical for CCAs.
- 3) No additional costly or onerous administrative provisions.

Board Feedback and Questions

- Board thanks Lucas and others for their advocacy work.
- What is VCEA's current role in Cal CCA?
- Board would like to become a full member as soon as VCEA is eligible.

- Even as an affiliate member, VCEA has been extremely well-served by Cal CCA’s coalition.

Staff Responses

- VCEA is currently an affiliate member of Cal CCA. We will be eligible to become a full voting member once we have submitted our implementation plan, but dues are deferred until the program becomes operational

Community
Advisory
Committee
Report &
Consideration of
Committee
Charge

Gerry Braun, Chair of Community Advisory Committee (CAC)

- Introduction of other CAC leaders: Vice Chair, Christine Shewmaker (Woodland) and Secretary, Marsha Baird (Yolo County). Committee is pleased that the three VCEA jurisdictions are represented within the committee leadership.
- Thank you to Chair Saylor for attending last CAC meeting. Would like to invite all board members to attend their meetings.
- CAC has met three times. As requested by the board, the committee reviewed their draft charge and is presenting a revised charge to VCEA Board for approval.

Board Discussion of CAC Charge

- Add to 2nd bullet: “In the interest of collaborations AC and VCEA board will...”
- As Advisory Committee Work Plan is developed it should be brought back to the board for approval so that the two groups can work in alignment.
- Deep appreciation for the ongoing work of the committee
- Board members will do their best to attend Community Advisory Committee meetings as they are as we are able. Requests that staff send out meeting dates.

Davis moved, seconded by Barajas to approve the Community Advisory Committee Charge. Motion passed by the following vote:

AYES: Barajas, Davis, Frerichs, Saylor, Stallard
NOES: None
ABSENT: Chamberlain

Board Member
and Staff
Announcements

None

Meeting was adjourned at 7:06pm

Emily Henderson
Administrative Assistant