



**Silicon Valley Clean Energy Authority
Board of Directors Meeting**

Wednesday, November 29, 2017

7:00 pm

City of Mountain View
Council Chambers
500 Castro Street
Mountain View, CA

MEETING MINUTES

Call to Order

Chair Rennie called the meeting to order at 7:01 p.m.

Roll Call

Present:

Chair Rob Rennie, Town of Los Gatos
Vice Chair Daniel Harney, City of Gilroy
Director Courtenay C. Corrigan, Town of Los Altos Hills
Director Steve Tate, City of Morgan Hill
Director Jim Griffith, City of Sunnyvale
Director Margaret Abe-Koga, City of Mountain View (arrived at 7:02 p.m.)
Director Howard Miller, City of Saratoga
Director Rod Sinks, City of Cupertino
Director Liz Gibbons, City of Campbell
Director Jeannie Bruins, City of Los Altos
Director Burton Craig, City of Monte Sereno

Absent:

Director Dave Cortese, County of Santa Clara

Public Comment on Matters Not Listed on the Agenda

Julie Noblitt, Energy and Climate Program Director at Acterra, announced two projects that Acterra is currently working on in Sunnyvale. Noblitt invited Board member suggestions on individuals who should be involved in a community ideation workshop scheduled for February 26 for the City of Sunnyvale's Climate Action Plan, and provided information on an upcoming Green at Home workshop in Sunnyvale.

Consent Calendar

Director Griffith requested to pull Item 1j; Director Bruins requested to pull Items 1g and 1k.

Chair Rennie opened public comment for those wishing to pull an item from the consent calendar.
No speakers.

Chair Rennie closed public comment for those wishing to pull an item from the consent calendar.

MOTION: Director Bruins moved and Director Gibbons seconded the motion to approve the Consent Calendar with the exception of Items 1g, 1j, and 1k.

The motion carried unanimously with Director Cortese absent.

- 1a) Approve Minutes of the October 9, 2017 Board of Directors Special Meeting**
- 1b) Approve Minutes of the October 11, 2017 Board of Directors Meeting**
- 1c) Approve Minutes of the October 24, 2017 Board of Directors Special Meeting**
- 1d) Approve SVCE Social Media Policy**
- 1e) Approve Revisions to SVCE Information Technology Policies**
- 1f) Authorize CEO to Approve Agreement with DNV GL Energy Services USA, Inc. for GHG Emissions Accounting and Clean Energy Metrics Services**
- 1h) Authorize CEO to Approve Agreement with Pisenti & Brinker, LLP for Financial Audit Services**
- 1i) Authorize CEO to Approve Agreement with Pacific Printing for Printing Services**

1g) Authorize CEO to Approve Agreement with Richards, Watson, and Gershon for Legal Services

Director Bruins noted that page five of the contract had a fill-in-the-blank section which was not complete. Interim CEO Don Eckert and General Counsel Greg Stepanicich responded to Board questions regarding to whom general counsel reports.

General Counsel Stepanicich suggested the termination clause of the contract be changed to reflect the general counsel termination being a decision of the Board as opposed to the CEO.

MOTION: Director Bruins moved and Director Gibbons seconded the motion to authorize the CEO to approve the agreement with Richards, Watson & Gershon (RWG) for legal services to be retroactive from October 1, 2017 through September 30, 2018, with the fill-in-the-blank on page five of the contract as well as a modification to the termination clause to indicate that the decision for termination lies with the Board.

The motion carried unanimously with Director Cortese absent.

1j) Adopt Resolution Amending the Adopted Organization Chart to Delete the Regulatory/Legislative Analyst Position and Add the New Positions of Manager of Regulatory & Legislative Affairs and Associate Regulatory/Legislative Analyst and Add an Additional Administrative Analyst to Support Human Resources

Director Griffith noted that classifications originally adopted by resolution in 2016 included salary information and requested resolutions be consistent.

Director Gibbons encouraged staff to put together a checklist to create consistency in the content of every contract.

Interim CEO Eckert responded to Board questions regarding hiring.

MOTION: Director Griffith moved and Director Gibbons seconded the motion to direct staff to bring the item back to the Board after the new CEO is hired with the amendments regarding salary.

The motion carried unanimously with Director Cortese absent.

1k) Adopt Resolution Authorizing the Chair to Select an Alternative Meeting Place When the Meeting Place for Regular Meetings is Unavailable

The Board discussed the item; General Counsel Stepanicich responded to Board questions.

MOTION: Director Bruins moved and Director Gibbons seconded the motion to adopt the resolution, 2017-11, as written.

The motion carried unanimously with Director Cortese absent.

Chair Rennie opened public comment for all consent items.

No speakers.

Chair Rennie closed public comment for all consent items.

Regular Calendar

Chair Rennie requested to hear Item 9 as the first item on the agenda. Without objection, the Board heard Item 9.

9) CEO Report (Discussion)

Interim CEO Eckert presented the CEO report which included a summary of a California Public Utilities Commission workshop held on October 31; Interim CEO Eckert noted he would send a response to the workshop written by CalCCA once finalized. Other items in the report included a potential conflict of interest assessment to be performed by Richards, Watson, and Gershon regarding SVCE's scheduling coordinator ZGlobal and Regenerate Power, a progress report on the decarbonization of existing power supply contracts, an introduction to Low Carbon Fuel Standard Credits (LCFS), and an opt out report as part of the Community Outreach update. Interim CEO Eckert responded to Board questions.

Director of Marketing and Public Affairs Alan Suleiman provided additional information on LCFS and responded to Board questions.

Hilary Staver, Regulatory and Legislative Affairs, provided information regarding legislation on LCFS; Director Sinks requested a one-pager from staff regarding the importance of LCFS for CCAs to be discussed with California Air Resources Board members.

Staver presented the Regulatory/Legislative update and responded to Board questions.

Interim CEO Eckert welcomed back Board Clerk Andrea Pizano and thanked Eric Acedo for his work in her absence.

Chair Rennie provided comments on the decarbonization of contracts and the decision to conduct a potential conflict of interest assessment.

Chair Rennie opened public comment.

No speakers.

Chair Rennie closed public comment.

Following Item 9, the Board considered Item 2.

2) Adopt Resolution to Approve Rate Schedules effective January 1, 2018 (Action)

Manager of Account Services Don Bray introduced the item and PowerPoint presentation. Manager of Account Services Bray responded to Board questions; Interim CEO Eckert provided additional information and responded to questions.

Board members expressed concern over some customers receiving greater savings than others and discussed various rate scenarios.

Director Bruins requested staff provide modeling and a pie chart of SVCE's rate schedules distinguishing residential versus commercial.

Chair Rennie opened public comment.

Bruce Karney commented on the history of PG&E rate changes and his opinion why SVCE initially adopted to keep commercial rates stable. Karney commented on his belief that SVCE should be crafting a policy that helps achieve the objectives that the cities and County have, to reduce greenhouse gas emissions, and do that with a 1% difference between the competitor's price to have more money to put into programs. Karney voiced support of a one step process and suggested following PG&E rates. Karney responded to Board questions.

Chair Rennie closed public comment.

MOTION: Director Miller moved and Director Abe-Koga seconded the motion to request staff to do a one step approach and bring back a model that keeps everything flat except for where changes are needed to remain at least 1% less, and make that what is held for the 2018 rate plan.

FRIENDLY AMENDMENT: Director Bruins requested to modify the motion to include direction to staff for scenarios to come back to the Board.

The Board discussed possible scenarios for staff to return with; staff responded to Board questions.

Manager of Account Services Bray summarized Board direction at the request of Chair Rennie; the Board and staff clarified scenarios and responded to questions.

At the request of Chair Rennie to repeat the direction of the Board again, Accounts Manager Bray summarized direction to include the following scenarios:

- 1) The scenario presented by staff to hold rates
- 2) Hold the generation rate plus PCIA rate constant; no net increase to what customers have paid this year, reduce rates to absorb the PCIA increase
- 3) "Peanut butter" model to spread the PCIA and generation rate that would result potentially in increases to some customers

Manager of Account Services Bray noted that staff was directed to also look into the question of sensitivity and contractual agreement as it relates to commercial customers; Director Miller clarified that staff would run into an issue if the wealth is spread evenly and suggested a scenario with the commercial customers being constant, and an additional scenario with the commercial customers being part of the sharing of the wealth.

Director Miller and Director Abe-Koga accepted the modification to the motion to include direction to staff as summarized by Manager of Account Services Bray.

The motion carried unanimously with Director Cortese absent.

Director Miller noted there was additional direction to staff to have a more comprehensive rate policy discussion; Chair Rennie commented the rate discussion should occur when the new CEO is on board. Director Miller added the discussion, possibly at a Spring workshop, could include background information for new Board members, getting to know the CEO, etc. Director Miller noted it would be at the discretion of the Chair.

3) Adopt Resolution Authorizing the City of Milpitas to be a Member of the Authority, Determining the Initial Voting Shares for this New Member, and Revising Exhibit D to the Joint Powers Agreement to Add These New Voting Shares (Action)

Interim CEO Eckert presented the item and responded to Board questions. General Counsel Stepanicich responded to Board questions regarding the amendment to the Implementation Plan.

Chair Rennie opened public comment.
No speakers.

Chair Rennie closed public comment.

MOTION: Director Miller moved and Director Sinks seconded the motion to adopt Resolution 2017-13 authorizing the City of Milpitas to be a member of the Authority, determining the initial voting shares for this new member, and amending the Silicon Valley Clean Energy (SVCE) Joint Powers Agreement (JPA) to add these new voting shares.

The motion carried unanimously with Director Cortese absent.

4) Authorize CEO to Retire Member Agency Loan and Revolving Line of Credit (Action)

Interim CEO Eckert presented the item and responded to Board questions.

Chair Rennie opened public comment.

No speakers

Chair Rennie closed public comment.

MOTION: Director Corrigan moved and Director Sinks seconded the motion to authorize the CEO to retire the \$1.9 million Revolving Line of Credit and pay back the Member Agency loan.

Director Bruins requested to bifurcate the item into two motions.

MODIFIED MOTION: Director Corrigan moved and Director Sinks seconded the motion to authorize the CEO to retire the \$1.9 million Revolving Line of Credit.

The motion carried unanimously with Director Cortese absent.

MOTION: Director Corrigan moved and Director Sinks seconded the motion to pay back the Member Agency loan.

Following discussion, Director Corrigan included in the motion the Member Agency loan would be paid back by the end of January 2018.

The motion carried with Director Bruins dissenting, Director Cortese absent.

5) Approve Customer Programs Advisory Group Charter (Action)

Interim CEO Eckert introduced the item; Community Outreach Manager Pamela Leonard presented the item and responded to Board questions.

Directors confirmed that the Customer Program Advisory Group (CPAG) members would be active contributors; Director Gibbons suggested the second bullet read, "and *generate* prospective residential customer programs"; Director Corrigan commented she would like the language changed to reflect producing ideas and suggested using the word "recommendations".

Chair Rennie opened public comment.

Steve Schmidt, resident of Los Altos Hills, commented on the budget allocation for the CPAG and his belief that there should not be pre-allocated funds.

Staff responded to Board questions; Director Bruins requested the Board have a more thoughtful conversation on financials for commercial programs; Chair Rennie summarized comments on the budget allocation as being a guideline for the committee, and to keep flexibility open for the Board to decide on programs, at which time the allocation may be shifted.

Chair Rennie closed public comment.

MOTION: Director Sinks moved and Director Bruins seconded the motion to approve the proposed SVCE Customer Program Advisory Committee Charter.

Director Sinks spoke in support of financial structure and noted the Board retains the financial flexibility. Director Griffith suggested the Board direct the commission to give the Board a recommendation within the strict guidelines provided by the Board, and if they choose they can offer suggestions beyond that.

Director Sinks and Director Bruins approved the addition to the motion to include Director Griffith's suggestion.

The motion carried unanimously with Director Cortese absent.

6) Results of Joint Request for Offers with Monterey Bay Community Power for Long-Term Power Supply (Discussion)

Interim CEO Eckert introduced Power Contracts & Compliance Specialist Dennis Dyc-O'Neal who presented the item and responded to Board questions.

Board members expressed concern in having a detailed conversation prior to closing deals with the respondents; General Counsel Stepanicich clarified that the direction from the Board would be to commence negotiations with the parties presented, not discuss negotiating positions.

Chair Rennie opened public comment.

No speakers.

Chair Rennie closed public comment.

7) Long-term Community Advisory or Oversight Committee (Discussion)

Community Outreach Manager Leonard presented the item and PowerPoint presentation.

Chair Rennie opened public comment.

No speakers.

Chair Rennie closed public comment.

8) Executive Committee Report (Discussion)

Chair Rennie stated the Executive Committee held a special meeting on November 7 and discussions included the Customer Program Advisory Group charter, formation of a long-term community oversight committee, and power procurement benchmarks for 2019 and beyond. The Committee also received an update from staff on the Joint Request for Offers between SVCE and Monterey Bay Community Power. Chair Rennie noted staff requested to cancel the Executive Committee meeting scheduled for December 5, due to a light agenda and timing of the November and December Board meetings. There were no objections from the Board to cancel the December Executive Committee meeting.

Chair Rennie opened public comment.

No speakers.

Chair Rennie closed public comment.

The Board requested staff include a Finance and Audit Committee update as a separate item for future Board meetings.

Following Item 8, the Board considered Item 10.

10) September 2017 Treasurer Report (Discussion)

Item 10 was considered following Item 8.

Interim CEO Eckert presented the item and PowerPoint presentation; Interim CEO Eckert responded to Board questions.

Director of Marketing and Public Affairs Suleiman responded to Board questions regarding customer opt outs.

Chair Rennie opened public comment.

No speakers.

Chair Rennie closed public comment.

Public Comment on Closed Session

No speakers.

Director Griffith requested to hear Board Member Announcements and Direction on Future Agenda Items prior to adjourning to Closed Session. Without objection, the Board considered Board Member Announcements.

Board Member Announcements and Direction on Future Agenda Items

Board Member Announcements and Direction on Future Agenda Items was considered following Public Comment on Closed Session.

Director Griffith questioned the process for appointing the Milpitas representative for the CPAG; the Board and staff discussed the Milpitas representative joining the CPAG in December or January.

Director Corrigan commented that she would like to see cross-promotion with other groups such as libraries and electric vehicles, providing an example of sending SVCE decals, or other ways to cross-promote with agencies to get SVCE messaging out.

Following Board Member Announcements and Direction on Future Agenda Items, the Chair announced a seven minute recess prior to Board members reconvening for closed session at 10:30 p.m. in the Committee Room.

Convene to Closed Session

Public Employee Appointment

Title: Chief Executive Officer

The Board returned to the Council Chambers from Closed Session at 11:04 p.m. with Director Cortese absent.

Report from Closed Session

Chair Rennie stated the Board met in Closed Session and provided direction to staff.

Following the report from closed session, the meeting was adjourned.

Adjourn

Chair Rennie adjourned the meeting at 11:05 p.m.