



Silicon Valley Clean Energy Authority

Board of Directors Meeting

Wednesday, June 8, 2016

7:00 pm

Santa Clara County Board Room

70 West Hedding Street, 1st Floor

San Jose, CA

MEETING MINUTES

Call to Order

Chair Sinks called the meeting to order at 7 p.m.

Roll Call

Present:

Chair Rod Sinks, City of Cupertino
Vice Chair Rob Rennie, Town of Los Gatos
Director Jeannie Bruins, City of Los Altos
Director John Harpootlian, Town of Los Altos Hills
Director Burton Craig, City of Monte Sereno
Alternate Director Anthony Eulo, City of Morgan Hill
Director John McAlister, City of Mountain View
Director Howard Miller, City of Saratoga
Director Jim Griffith, City of Sunnyvale (arrived at 7:01 p.m.)
Director Liz Gibbons, City of Campbell
Director Daniel Harney, City of Gilroy

Absent:

Director Joe Simitian, County of Santa Clara

Public Comment on Matters Not Listed on the Agenda

No speakers.

Consent Calendar

1a) Approve Minutes of the May 11, 2016, Board of Directors Meeting

MOTION: Director Miller moved and Director Gibbons seconded the motion to approve the Minutes of the May 11, 2016 Board of Directors Meeting as submitted.

The motion carried unanimously with Directors Simitian and Griffith absent.

Regular Calendar

2) CEO Report

CEO Tom Habashi provided a status report and responded to Board questions. Communications Manager Misty Mersich presented information regarding a proposed Silicon Valley Clean Energy Communication Working Group and responded to Board questions.

3) Approve Key Policies to Guide SVCE Implementation

CEO Habashi presented the staff report and responded to Board questions. Operations Manager Melody Tovar provided additional information and responded to Board questions. John Dulesi, Pacific Energy Advisors, responded to Board questions.

Chair Sinks opened public comment.

Bruce Karney, Carbon Free Mountain View, spoke in support of rate stability to various classes of customers and provided comments regarding supply and demand for new solar farms.

James Tuleya, Sunnyvale resident and member of Carbon Free Mountain View, spoke regarding the activities of Peninsula Clean Energy and in support of an early adopter program.

Chair Sinks closed public comment.

1 – Program Rollout

MOTION: Director Miller moved and Alternate Director Eulo seconded the motion to accept staff recommendation 1: approve a three-phase SVCE customer phase-in plan as shown in Table 1 to the report: the first phase will commence in April 2017 to all small and medium commercial customers located within SVCE's service territory as well as 20% of prospective residential accounts. The second phase will commence in July 2017, to large commercial and industrial customers and an additional 35% of prospective residential accounts. The third and final phase will commence in October 2017, including the remaining 45% of SVCE's prospective residential accounts, agricultural, street lighting and any other accounts not previously enrolled in phases 1 or 2; with changes to add all municipal accounts in phase 1, and to the extent that it is possible, make a system to allow customers to move to an earlier phase.

Director Bruins confirmed with the maker of the motion that the motion included moving municipal accounts, including their street lights and traffic signals, to phase 1.

The motion carried with Directors Gibbons and Harney dissenting, Director Simitian absent.

2 – Customer Generation Rates

MOTION: Director Gibbons moved and Alternate Director Eulo seconded the motion to approve the customer generation rates as presented by staff: for the first year of program implementation and subject to future wholesale power supply pricing received by the Authority, the SVCE Authority set customer generation rates at level 1% below PG&E's generation rates in place as of January 2017. To promote SVCE customer rate stability, SVCE generation rates remain unchanged, subject to unusual volatility in wholesale power pricing, until January 2019.

Director Bruins confirmed with the maker of the motion that the motion is to set the rate at a net 1% discount from PG&E and that the motion is just to set the rate policy.

The motion carried unanimously with Director Simitian absent.

3 - Initial working capital requirements

MOTION: Director Miller moved and Director Gibbons seconded the motion to approve the staff recommendation: secure initial working capital in the amount of \$20 million for the first year of program operations. This amount would be subject to annual updates thereafter in consideration of rise in demand. With regard to requisite working capital, raise such working capital by working with willing SVCEA members, which could facilitate the accumulation of working capital amounts by offering direct loans or contributions to the Authority which would be repaid within the first 5 years of program operation. The motion carried unanimously with Director Simitian absent.

4 - General SVCE Authority Reserve Policy

MOTION: Director Gibbons moved and Director Miller seconded the motion to approve the concept of having a reserve set aside of at least 5%, and direct staff to come back at the next meeting with a revised projected operating results report broken down by categories by years showing actual cash flow, to show what staff comes up with regarding the phasing in and who goes where, and with the understanding that when the bids come back, staff can revise it if necessary; request of staff for documentation on how the 5% is going to be obtained and how the \$20 million to be financed is or is not spent, including a repayment plan.

The motion carried unanimously with Director Simitian absent.

5 - SVCE Authority Power Resource Preferences

MOTION: Director Miller moved and Director Gibbons seconded the motion to approve the staff recommendation to give strong preference to clean energy resources for purposes of fulfilling the ongoing electric energy requirements of SVCE customers, with an addition to give staff flexibility to maximize greenhouse gas free resources, to the extent possible optimize renewable resources, and direct staff to provide information regarding Renewable Energy Credits.

The motion carried unanimously with Director Simitian absent.

The Board recessed at 9:26 p.m.

The Board reconvened at 9:33 p.m. with Director Simitian absent.

4) **Appoint a Board Executive Committee**

CEO Habashi presented the staff report and responded to Board questions. General Counsel Greg Stepanicich provided additional information.

The Board discussed the potential makeup of the Executive Committee.

Chair Sinks opened public comment.

No speakers.

Chair Sinks closed public comment.

MOTION: Alternate Director Eulo moved and Director McAlister seconded the motion to appoint the Directors from Los Altos, Mountain View, Cupertino, Los Gatos, Sunnyvale and Gilroy to the Board Executive Committee.

MOTION WITHDRAWN: Following discussion, Alternate Director Eulo withdrew his motion.

MOTION: Director Miller moved and Director Craig seconded the motion to appoint Director Harney, Director Gibbons, Director Miller, Chair Sinks, Vice Chair Rennie and Director McAlister to the Board Executive Committee, and that the term of the Board Executive Committee turn over in January. The motion carried unanimously with Director Simitian absent.

5) **Adopt Resolution Approving Operating Rules and Regulations**

General Counsel Stepanicich presented the staff report and responded to Board questions.

Following discussion, General Counsel Stepanicich suggested Article III, Section 4 *Removal of Officers* be revised to state, "An officer of the board shall be subject to removal as an officer at any time for any reason by a majority vote of the entire board."

Alternate Director Eulo noted under Article IV, Section 2 *Executive Committee*, the number of members should be six members.

Chair Sinks opened public comment.
No speakers.
Chair Sinks closed public comment.

MOTION: Alternate Director Eulo moved and Director McAlister seconded the motion to adopt a resolution approving operating rules and regulations with the amendments to Article III, Section 4 and Article IV, Section 2.
The motion carried unanimously with Director Simitian absent.

6) Approve Alternate Location for July Board of Directors Meeting: Cupertino Community Hall

MOTION: Alternate Director Eulo moved and Director Miller seconded the motion to hold the July meeting at Cupertino Community Hall.

Chair Sinks opened public comment.
No speakers.
Chair Sinks closed public comment.

The motion carried unanimously with Director Simitian absent.

Board Member Announcements

Chair Sinks reported he served on a panel at the Stanford Energy Summit.

Director Miller announced his last day at Apple after over 23 years.

Director Gibbons announced an upcoming presentation by SVCE staff at the City of Campbell Chamber of Commerce luncheon.

Vice Chair Rennie announced he attended the Silicon Valley Energy Summit.

Operations Manager Tovar announced upcoming business workshops in Mountain View, Sunnyvale and Morgan Hill.

Adjournment

Chair Sinks adjourned the meeting at 10:11 p.m.