



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

Wednesday, February 8, 2017
7:00 pm

Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

MEETING MINUTES

Call to Order

Chair Sinks called the meeting to order at 7:00 p.m.

Chair Sinks led the salute to the flag.

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 Courtenay C. Corrigan, Town of Los Altos Hills
Director Burton Craig, City of Monte Sereno
Director Steve Tate, City of Morgan Hill
Director Margaret Abe-Koga, City of Mountain View
Director Dave Cortese, County of Santa Clara (arrived at 7:02 p.m.)
Director Howard Miller, City of Saratoga
Alternate Director Nancy Smith, City of Sunnyvale
Director Liz Gibbons, City of Campbell
Director Daniel Harney, City of Gilroy

Absent:

None.

Chair Sinks introduced and welcomed new Board members.

Public Comment on Matters Not Listed on the Agenda

Chair Sinks opened public comment.

Richard Fancher, Los Altos resident, spoke regarding the SVCE mailer he received, his savings of being a PG&E SmartRate customer, and his belief that SVCE has misinformed current and potential SmartRate customers about the SVCE rollout.

Chair Sinks directed staff to prepare a summary to address PG&E's SmartRate for the benefit of the Board and public.

Mark Tholke, Golden State Renewable Energy, spoke of his experience as a renewable energy developer and his belief that solar photovoltaic (PV) can be done inside Santa Clara County.

Chair Sinks closed public comment.

Consent Calendar

Greg Stepanicich, General Counsel, provided a clerical correction to Item 1c) Approve Agreement with Maher Accountancy for Accounting Services,

Section 3. Compensation to Consultant, the first line, "Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed one hundred and thirty thousand and five hundred dollars (\$130,500.00)" should include, "as provided in Exhibit B which is attached hereto and incorporated herein by this reference."

MOTION: Director Bruins moved and Director Miller seconded the motion to approve the Consent Calendar with the correction to Item 1c.

Chair Sinks opened public comment.

No speakers.

Chair Sinks closed public comment.

The motion carried unanimously.

- 1a) Approve Minutes of the January 11, 2017, Board of Directors Meeting**
- 1b) Adopt Amended Conflict of Interest Code**
- 1c) Approve Agreement with Maher Accountancy for Accounting Services**

Regular Calendar

2) Executive Committee Report

Chair Sinks reported that the Executive Committee met on January 25 and discussed SVCEA Capital and Rate Stabilization Reserve policies. Chair Sinks reported that he attended the California Public Utilities Commission (CPUC) en banc hearing.

Chair Sinks opened public comment.

No speakers.

Chair Sinks closed public comment.

3) CEO Report

CEO Tom Habashi presented the CEO report which included a new hire update of the Regulatory/Legislative Analyst, interviews scheduled for the Account Representative, and open positions for Community Outreach Manager, Director of Power Resources, and Administrative Assistant. CEO Habashi stated that the financial policies would be brought back to the Board at the March meeting for approval. CEO Habashi spoke of the CPUC en banc hearing on February 1, provided an update on SVCEA enrollment and notifications, gave an invitation to attend the SVCE Open House, and provided an update on power supply purchases. CEO Habashi responded to Board questions.

The Board and staff discussed the comments from the first public speaker regarding PG&E's SmartRate and the SVCE mailer. The Board directed staff to get additional details on PG&E's SmartRate.

Chair Sinks opened public comment.

James Tuleya, Sunnyvale resident, spoke of his experience working for PG&E's Energy Efficiency business and his knowledge of PG&E's SmartRate.

Ron Swenson, Santa Cruz resident, noted his belief that there is a defensive approach that can be taken on the supply side with solar resources in the district.

Chair Sinks closed public comment.

4) Treasurer Report

Don Eckert, Director of Administration and Finance, presented the Treasurer report and responded to Board questions.

Chair Sinks opened public comment.

No speakers.

Chair Sinks closed public comment.

5) Elect Chair and Vice Chair (Action)

Chair Sinks introduced the item and opened nominations from the floor for Chair.

MOTION: Director Bruins moved and Director Tate seconded the motion to nominate Vice Chair Rennie to serve as Chair of the Board.

The motion passed unanimously.

Following selection of the Chair, Director Sinks handed over the gavel to newly appointed Chair Rennie and Chair Rennie presided over the remainder of the meeting.

Director Bruins commented that the Board initially agreed to have a non-founding member in one seat, and a founding member in the other.

MOTION: Director Bruins moved and Director Gibbons seconded the motion to nominate Director Griffith to serve as Vice Chair of the Board.

MOTION WITHDRAWN: Following discussion, Director Bruins withdrew the motion.

Director Sinks thanked the Board for their support in his term as Chair and suggested that the Board consider who would have the time commitment to serve as Vice Chair.

MOTION: Director Tate moved and Director Miller seconded the motion to nominate Director Harney to serve as Vice Chair of the Board.

The motion passed unanimously.

Chair Rennie opened public comment.

Bruce Karney, Mountain View resident, noted that he was under the impression that Director Harney was not reelected to the Gilroy City Council. Chair Rennie clarified that Director Harney was reappointed as a Councilmember of Gilroy.

Chair Rennie closed public comment.

6) Appoint Board Executive Committee Members (Action)

Greg Stepanicich, General Counsel, presented the item. CEO Habashi provided additional information and answered Board questions.

The Board discussed who in addition to the Chair and Vice Chair should make up the Executive Committee.

MOTION: Director Tate moved and Director Craig seconded the motion to nominate Director Sinks to the Board Executive Committee.

FRIENDLY AMENDMENT: Director Craig offered a friendly amendment to add Director Gibbons and Director Miller to the nomination.
Director Tate accepted the friendly amendment.

FRIENDLY AMENDMENT: Director Gibbons offered a friendly amendment to add Director Abe-Koga to the nomination.
Director Tate and Director Craig accepted the friendly amendment.

Following discussion, Chair Rennie clarified the motion that the Executive Committee would be made up of Chair Rennie, Vice Chair Harney, Director Gibbons, Director Miller, Director Sinks, and Director Abe-Koga.

The motion carried unanimously with Director Cortese absent.

7) Approve Master Transaction and Confirmation Agreement with Regenerate Power LLC (Action)

CEO Habashi presented an introduction to items 7, 8, and 9 and responded to Board questions.

Chair Rennie opened public comment.
No comment.
Chair Rennie closed public comment.

MOTION: Director Gibbons moved and Director Bruins seconded the motion to authorize the Chief Executive Officer to execute a Master EEI Agreement and Confirmation with Regenerate Power LLC for the purchase of renewable energy.

The motion carried unanimously with Director Cortese absent.

8) Approve Confirmation Agreements with NRG and Shell to acquire Resource Adequacy Capacity for 2017 (Action)

CEO Habashi provided additional information on item 8 and responded to Board questions.

MOTION: Director Sinks moved and Director Gibbons seconded the motion to authorize the Chief Executive Officer to execute agreements for the purchase of Resource Adequacy Capacity as necessary to meet SVCE's regulatory obligations.

General Counsel Stepanicich noted that public testimony would need to be heard prior to moving forward with the vote.

Chair Rennie opened public comment.
No speakers.

Chair Rennie closed public comment.

The motion carried unanimously with Director Cortese absent.

9) Approve Risk Management Policy related to Congestion Revenue Rights Market (Action)

CEO Habashi provided additional information on item 9 and responded to Board questions.

CEO Habashi confirmed that the policy presented will be brought to the CEO-appointed Risk Oversight Committee to be further developed; the policy presented was intended to cover the capacity rights that SVCEA would like to purchase from the California Independent System Operator.

MOTION: Director Bruins moved and Director Miller seconded the motion to approve the Risk Management Procedures and Controls for Transactions in the California Independent System Operator Markets; Direct the Risk Oversight Committee to work with the CEO to finalize the Energy Risk Management, Energy Trading Authority, Credit Risk and Energy Hedge policies and seek Board approval of a comprehensive Energy Risk Management Policy in April 2017; and Authorize the Chief Executive Officer to execute a CRR Entity Agreement and deposit \$500,000 with the California Independent System Operator.

Chair Rennie opened public comment.

No speakers.

Chair Rennie closed public comment.

Director Sinks commented that the Risk Oversight Committee is CEO appointed due to sensitive and confidential information that cannot be released to the public. General Counsel Stepanicich confirmed that the Risk Oversight Committee is not a Brown Act subject committee.

The motion carried unanimous with Director Cortese absent.

10) Establish and Fund Rate Stabilization Reserves, Working Capital Reserves

CEO Habashi presented the staff report and responded to Board questions.

The Board and staff discussed the Power Charge Indifference Adjustment (PCIA) and its effect on Community Choice Aggregators (CCA). Director Sinks noted that SVCEA has joined CalCCA, an advocacy organization with members from each Community Choice Energy agency. CEO Habashi provided additional information on CalCCA.

Chair Rennie opened public comment.

Bruce Karney spoke of his experience attending PCIA workshops and his opinion on operational expenses.

Chair Rennie closed public comment.

11) SVCE Website Update

Pamela Leonard, Community Outreach Specialist, introduced Joyce Vollmer of MIG, Inc., and noted that swag bags had been left at the dais for Board members. Community Outreach Specialist Leonard presented the item and responded to Board questions. CEO Habashi answered additional questions.

Board members provided feedback including color selection and percentage make-up of the Opt Out pie chart, a request to include a clear indication of what percentage of the pie charts represent greenhouse gas free, font size, a request to note that only residents who have received their notification post cards

have the ability to opt out be more prominent on the Opt Out page, call out "PG&E" in the Opt Out pie chart title, and a suggestion for a graphic to show rollout phase areas. Staff will review feedback provided by the Board.

The Board and staff discussed the social media platform NextDoor and how it can be used to reach residents. Director Gibbons suggested a blurb be provided to member agencies to notify residents of the postcards and phased rollout.

Chair Rennie opened public comment.

Steve Schmidt, Los Altos Hills resident, announced that he opted up to GreenPrime.

James Tuleya, Sunnyvale resident, stated that he has been working with Outreach Specialist Leonard on community ambassador assistance to reach coverage areas.

Chair Rennie closed public comment.

Board Member Announcements and Direction on Future Agenda Items

Chair Rennie reported that the Town of Los Gatos opted up to GreenPrime

Director Bruins announced that there are two Los Altos public meetings planned on clean energy: March 1 at the Grant Park facility hosted by the City of Los Altos, and March 15 at the Main Library hosted by GreenTown Los Altos.

Director Gibbons reported that the Mercury News is working on a feature article on Green Energy.

Director Sinks reported that he will be presenting at Monta Vista High School, Cupertino High School, and San Jose State University on SVCE in March.

Adjourn

Chair Rennie adjourned the meeting at 9:33 p.m.