



Silicon Valley Clean Energy Authority

Board of Directors Meeting

Wednesday, December 11, 2019

7:00 pm

Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

MEETING MINUTES

Call to Order

Chair Abe-Koga called the meeting to order at 7:04 p.m.

Roll Call

Present:

Chair Margaret Abe-Koga, City of Mountain View
Vice Chair Howard Miller, City of Saratoga
Director Carmen Montano, City of Milpitas (arrived at 7:07 p.m.)
Director Javed Ellahie, City of Monte Sereno
Director Marico Sayoc, Town of Los Gatos
Director Nancy Smith, City of Sunnyvale
Director Rod Sinks, City of Cupertino
Director Courtenay Corrigan, Town of Los Altos Hills
Director Liz Gibbons, City of Campbell (participating by teleconference from Capital Hilton, 1001 16th Street NW, Washington, District of Columbia, 20036)
Alternate Director Neysa Fligor, City of Los Altos
Director Susan Ellenberg, County of Santa Clara
Director Yvonne Martinez Beltran, City of Morgan Hill (arrived at 8:45 p.m.)

Absent:

Director Fred Tovar, City of Gilroy

Public Comment on Matters Not Listed on the Agenda

No speakers.

Consent Calendar

MOTION: Director Ellenberg moved and Director Smith seconded the motion to approve the Consent Calendar.

Chair Abe-Koga opened public comment.

No speakers.

Chair Abe-Koga closed public comment.

The motion carried unanimously by roll call vote with Directors Martinez Beltran, Montano, and Tovar absent.

1a) Approve Minutes of the November 13, 2019, Board of Directors Meeting

1b) Receive September 2019 Treasurer Report

1c) Receive Non-Standard Pricing Policy Performance Update

- 1d) Receive Customer Resource Center Follow Up Information
- 1e) Approve and Authorize Chief Executive Officer to Execute Agreement with School of Thought for Website Design and Marketing Services for Online Customer Resource Center
- 1f) Adopt Resolution to Authorize the Chief Executive Officer to Execute a Service Agreement with Energy and Environmental Economics and to Amend Approved Master Agreements
- 1g) Approve SVCE Advance Metering Infrastructure (AMI) Data Privacy and Security Policy
- 1h) Adopt Resolution Approving Amendments to SVCE Operating Rules and Regulations
- 1i) Receive Employee Health and Welfare Benefits Enhancements Report
- 1j) Legislative Ad Hoc Committee Report
- 1k) Finance and Administration Committee Report

Regular Calendar

Chair Abe-Koga noted Item 9) *Authorize the Chief Executive Officer to Negotiate and Execute an Office Lease Agreement*, would be addressed following Closed Session.

2) CEO Report (Discussion)

CEO Girish Balachandran provided a CEO report which included introduction of two new employees, Energy Consultant Zoe Elizabeth and Administrative Services Manager Kevin Armstrong, who would be present at a future meeting. CEO Balachandran addressed an update in the CEO report on the restructuring of PG&E.

Manager of Regulatory and Legislative Affairs Hilary Staver provided an update which included information on the proceeding for creating the regulations for implementing AB1110, an update on the Integrated Resource Plan (IRP) development, and thanked Legislative Ad Hoc Committee members for meeting with legislators before recess ends.

Director of Finance and Administration Don Eckert presented a PowerPoint on a 2020 power charge indifference adjustment (PCIA) update; CEO Balachandran responded to Board member questions and provided additional information on forecasted SVCE rates.

Chair Abe-Koga opened public comment.

No speakers.

Chair Abe-Koga closed public comment.

3) Adopt Resolution to Authorize the Chief Executive Officer to Execute the PG&E Energy Confirmation with Non-Substantive Changes Comprised of Allocated Carbon-Free Attributes Including Attributes Generated by Hydroelectric Facilities and Diablo Canyon Power Plant (“DCPP”) for 2020 Only and to Sell Carbon-Free Attributes Associated with DCPP (Action)

Director of Power Resources Monica Padilla and Power Resources Manager Ian Williams presented a PowerPoint presentation and responded to board member questions; CEO Balachandran provided additional information.

Director of Power Resources Padilla noted a revised staff recommendation from the previously distributed staff report:

1. Accept PG&E’s Full Allocation for 2020 including Short-term Nuclear; and
 - a. If Board selects 50% RPS & 50% CF mix, then sell Large Hydroelectricity, and include Nuclear on PCL for estimated savings of \$11.4 million; or
 - b. If Board selects 35% RPS and 65% CF mix, then sell RPS PCC1 and no Nuclear on PCL for an estimated savings of \$17.3 million.

The Board discussed including short-term nuclear from PG&E’s allocation, SVCE’s current and future power portfolio mix, SVCE’s renewable portfolio standard percentage, the importance of remaining carbon-free, distinguishing factors of SVCE from other utilities, and SVCE’s objective and mission.

Chair Abe-Koga opened public comment.

Bruce Karney, resident of Mountain View, commented on Carbon Free Mountain View's involvement in creating SVCE and its influence on SVCE's carbon free portfolio mix, his opinion of how customers would react if there is nuclear in SVCE's portfolio or if there is 35% California renewables instead of 50%, commented on his hopes for the future of SVCE, and noted the question that should be at the uppermost in Director's minds is which decision does the most to ensure SVCE will be around in 10 years and that it can fund its decarbonization programs.

Bryan Mekechuk, resident of Monte Sereno, voiced his opposition of having nuclear on SVCE's power content label.

Chair Abe-Koga closed public comment.

Chair Abe-Koga led a straw poll regarding the first part of staff's recommendation *Accept PG&E's Full Allocation for 2020 including Short-term Nuclear* by show of hands, and verbally with Director Gibbons by phone; the group was in consensus to support the first of staff's recommendation.

Following discussion, CEO Balachandran summarized Board comments:
Accept the full PG&E allocation;
Try to stay at 50% RPS and 50% Carbon-free mix;
Wait to see how the PCIA risks unfold; and,
Request staff to come back to the Board with a recommendation on the mix.

The Board discussed accepting nuclear in SVCE's portfolio and the possibility SVCE may not be able to sell the nuclear, which would then be shown on SVCE's power content label.

CEO Balachandran noted the discussion would be brought back to the Board with additional analysis including:
Not including nuclear in SVCE's mix,
Showing the value of 50% RPS and 50% Carbon-free mix if SVCE takes only large hydro; and,
If the PCIA is high risk, show additional alternatives between 50-35% RPS.

MOTION: Director Ellahie moved and Director Corrigan seconded the motion to direct Staff to take the PG&E allocation in-full, and come back to the Board at the next convenient time as to what the options are as far as what should and should not be sold.

Director Corrigan clarified the motion was to accept the allocation, but to come back to the Board with all options when they become clear and present.

ALTERNATIVE MOTION: Vice Chair Miller moved and Chair Abe-Koga seconded the motion to direct Staff to only accept the allocation if there is a plan to offload the nuclear component to another party.

The alternative motion was adopted by roll call vote 7-5 with Director Tovar absent.

4) Approve and Authorize the Chief Executive Officer to Execute a Contract Extension with Calpine Energy Solutions for Data Management Services (Action)

Director of Account Services and Community Relations Don Bray introduced the item and responded to board member questions.

Chair Abe-Koga opened public comment.

No speakers.

Chair Abe-Koga closed public comment.

MOTION: Director Ellenberg moved and Director Sinks seconded the motion to Authorize the Chief Executive Officer to execute a third amendment to the Agreement between the Silicon Valley Clean Energy Authority and Calpine Energy Solutions LLC for data management services, extending the contract term through 2024, reducing rates and modifying service terms effective January 1, 2020.

The motion carried unanimously by roll call vote with Director Tovar absent.

5) Discuss Options for Board Input on Legislative and Regulatory Matters (Discussion)

CEO Balachandran introduced the item and responded to board member questions.

Chair Abe-Koga opened public comment.

No speakers.

Chair Abe-Koga closed public comment.

MOTION: Director Sinks moved and Vice Chair Miller seconded the motion to select the first of the two options provided by staff to have the Board set priorities on a periodic basis and nominally, unless decided otherwise, to have the committee run from commencement in January until the end of the legislative session.

CEO Balachandran clarified the priorities of the committee would be decided in January and Legislative Ad Hoc Committee members would be selected at the February meeting.

The motion carried unanimously by roll call vote with Director Tovar absent.

6) SVCE Board Succession Planning (Discussion)

CEO Balachandran introduced the item and responded to board member questions.

The Board provided succession planning ideas and suggestions including:

- Changing the bylaws that if an elected official is no longer a councilmember, they are able to continue as a Director;
- Requesting two-year appointments from member agencies, but keep Directors as current councilmembers;
- Changing the bylaws to require two-year terms;
- Changing the bylaws to reflect new Directors be set at two-year terms after conferring with member agency councils,
- A request to look at long-term models which incorporate staff, for example: a technical committee, or allowing a member agency staff member to serve as a Director;
- Foster training and development by inviting and encouraging participation of SVCE Alternate Directors;
- Consider looking at a directly elected board (what would it take, would it be classified as a special district, etc.);
- Consider long-term appointments; and,
- Consider a Technical Advisory Board and what could be delegated (what would be the charter, what would be the limits, performance measures, etc.).

CEO Balachandran noted the ideas would be brought back to the Executive Committee in the coming months.

Director Gibbons left the meeting at 9:30 p.m.

Director Ellenberg left the meeting at 9:43 p.m.

Chair Abe-Koga opened public comment.

No speakers.

Chair Abe-Koga closed public comment.

7) Executive Committee Report (Discussion)

Vice Chair Miller reported the Executive Committee met November 22, 2019 and received updates on Reach Code Adoption, Power Prepay, and projected PCIA and PG&E Generation rate changes that will impact SVCE's financial position. Vice Chair Miller reported staff went through employee health and welfare benefits changes for the upcoming plan year.

Chair Abe-Koga opened public comment.

No speakers.

Chair Abe-Koga closed public comment.

8) Audit Committee Report (Discussion)

Director Corrigan reported the Audit Committee met December 4, 2019 to kick off the financial audit with an independent auditor from Pisenti & Brinker, LLP, and received an update from staff on cybersecurity risk assessment and mitigation strategies.

Chair Abe-Koga opened public comment.

No speakers.

Chair Abe-Koga closed public comment.

Following Item 8, the Board addressed *Board Member Announcements and Direction on Future Agenda Items*.

9) Authorize the Chief Executive Officer to Negotiate and Execute an Office Lease Agreement

Item 9 was heard following Closed Session.

MOTION: Vice Chair Miller moved and Director Corrigan seconded the motion to authorize the CEO to negotiate and execute a lease agreement for office space consistent with parameters provided by the Board in closed session.

Chair Abe-Koga opened public comment.

No speakers.

Chair Abe-Koga closed public comment.

The motion carried unanimously with Directors Ellenberg, Gibbons, and Tovar absent.

Board Member Announcements and Direction on Future Agenda Items

Director Sinks announced meetings with legislators and encouraged Directors to attend.

Director Corrigan announced the Town of Los Altos Hills passed reach codes requiring all new construction have an option for gas or full electrification in kitchens and in laundry rooms, and the use of fireplaces would still be permitted. Director Corrigan thanked Alternate Director Tyson on his support of getting the reach codes passed.

Director Sayoc announced the first reading to ban natural gas in all residential homes in Los Gatos passed; Director Sayoc noted the second reading would occur Tuesday evening and there may be a change in workload which may result in Alternate Director Rob Rennie becoming the Director and Director Sayoc becoming the Alternate Director for 2020.

Director Smith announced the League of California Cities League Leaders met in Napa and added climate change as a priority; Director Smith read the priority. Director Smith noted the Peninsula division of the League of California Cities is planning a third quarter meeting to focus on CCAs and sustainability.

Director Ellahie announced the City of Monte Sereno passed the second reading of reach codes which require pre-wiring for all appliances and require two EVs; Director Ellahie indicated he would continue to serve as Director of Monte Sereno and Alternate Director Liz Lawler would continue as alternate for 2020.

Chair Abe-Koga thanked the Board for their leadership in their respective communities on reach codes and staff for their support; Chair Abe-Koga reminded Directors who are interested in the Chair/Vice Chair and/or Executive Committee membership letters of interest are due December 19, 2019 and reviewed the timeline for other appointments.

Chair Abe-Koga thanked the Board for a great year and expressed appreciation for their commitment and participation, and commented she was proud of the organization, Board, and staff.

Vice Chair Miller noted the Board was equally proud of Chair Abe-Koga for serving as Chair.

Public Comment on Closed Session

No speakers.

The Board convened to closed session in the Community Hall Kitchen at 9:56 p.m.

Convene to Closed Session (Community Hall Kitchen)

Conference with Real Property Negotiators
Property: 333 W. El Camino Real, Sunnyvale, CA
Agency Negotiator: Girish Balachandran, CEO
Negotiating Parties: Newmark Knight Frank
Under Negotiation: Price and Terms of Payment

Conference with Legal Counsel – Existing Litigation
Government Code Section 54956.9(d)(1)
Name of Case: In re Pacific Gas and Electric Company, Debtor, United States Bankruptcy Court,
Northern District of California, San Francisco Division, Case No. 19-30088

The Board returned from Closed Session at 10:22 p.m. with Directors Ellenberg, Gibbons, and Tovar absent.

Report from Closed Session

There was no report.

Following the return from Closed Session, the Board considered Item 9.

Adjourn

Chair Abe-Koga adjourned the meeting at 10:22 p.m.

ATTEST:



SECRETARY