



Silicon Valley Clean Energy Authority

Board of Directors Meeting

Wednesday, February 12, 2020

7:00 pm

Cupertino Community Hall

10350 Torre Avenue

Cupertino, CA

MEETING MINUTES

Call to Order

Chair Miller called the meeting to order at 7:02 p.m.

Roll Call

Present:

Chair Howard Miller, City of Saratoga
Vice Chair Nancy Smith, City of Sunnyvale
Director George Tyson, Town of Los Altos Hills
Director Carmen Montano, City of Milpitas
Director Javed Ellahie, City of Monte Sereno
Director Rob Rennie, Town of Los Gatos
Director Rod Sinks, City of Cupertino
Director Margaret Abe-Koga, City of Mountain View
Director Liz Gibbons, City of Campbell
Alternate Director Anthony Eulo, City of Morgan Hill
Director Fred Tovar, City of Gilroy (arrived at 7:03 p.m.)
Alternate Director Jeannie Bruins, City of Los Altos

Absent:

Director Susan Ellenberg, County of Santa Clara

Public Comment on Matters Not Listed on the Agenda

No speakers.

Consent Calendar

Board Clerk Andrea Pizano noted an edit to Item 1a) *Approve Minutes of the January 8, 2019, Board of Directors Meeting* to reflect the minutes are from 2020 and not 2019.

MOTION: Director Sinks moved and Director Rennie seconded the motion to approve the Consent Calendar, noting the minutes in Item 1a are from January 8, 2020.

Chair Miller opened public comment.

No speakers.

Chair Miller closed public comment.

The motion carried unanimously with Director Ellenberg absent.

1a) Approve Minutes of the January 8, 2020, Board of Directors Meeting

1b) Receive November 2019 Treasurer Report

- 1c) Approve Cancellation of July Board of Directors Meeting, and Reschedule of November Board of Directors Meeting**
- 1d) Approve 2020 Updates to Exhibit C, Annual Energy Use, and Exhibit D, Voting Shares, of the SVCE Joint Powers Agreement**
- 1e) Adopt Resolution Certifying Representatives on River City Bank Loans**

Regular Calendar

2) Receive Financial Audit Report from Pimenti & Brinker, LLP (Action)

Director of Finance and Administration Don Eckert introduced the item and Brett Bradford and Beth Samit of Pimenti and Brinker, LLP. Bradford and Samit presented a PowerPoint presentation and responded to board member questions.

Vice Chair Smith provided comments as the Vice Chair of the Audit Committee.

Director Sinks inquired if SVCE accounts for carbon savings in a monetary measure; CEO Girish Balachandran noted staff would discuss and bring it back to an appropriate committee of the board. Director Sinks requested staff address: savings to rate payers, the reserve SVCE has generated to be sustainable, and the benefit to the health of the earth.

MOTION: Director Smith moved and Alternate Director Bruins seconded the motion to receive and accept the Year-End Financial Statements and the Independent Auditor's Report for the Fiscal Year 2018-19.

Chair Miller opened public comment.

No speakers.

Chair Miller closed public comment.

The motion carried unanimously with Director Ellenberg absent.

3) CEO Report (Discussion)

CEO Balachandran provided a CEO report which included a PowerPoint presentation on SVCE's Workplan and Strategic Plan, which CEO Balachandran noted would be posted to the website following the meeting. CEO Balachandran noted the City of Los Banos reached out regarding SVCE providing service to their city, and announced Director of Decarbonization and Grid Innovation Programs Aimee Bailey was appointed to the Board of Directors of the Building Decarbonization Coalition; CEO Balachandran responded to board member questions.

Director of Decarbonization and Grid Innovation Programs Bailey introduced a video of SVCE's Gridshift Hackathon which occurred January 31, 2020; Chair Miller, who served as a judge at the event, provided comments. Staff responded to board member questions.

Manager of Regulatory and Legislative Affairs Hilary Staver provided an update on regulatory and legislative matters and responded to board member questions. Director of Finance and Administration Don Eckert responded to a financial question regarding a potential power charge indifference adjustment (PCIA) increase; CEO Balachandran responded to additional questions regarding the PCIA.

Chair Miller opened public comment.

James Tuleya, resident of Sunnyvale and Chair of Carbon Free Silicon Valley, commented on the campaign for Fossil Free Buildings in Silicon Valley that's helping to advocate across San Mateo and Santa Clara counties helping to drive the reach code adoption; Tuleya noted SVCE's Board of Directors pushed the reach codes much further than expected and acknowledged Alternate Director Eulo for his leadership efforts in Morgan Hill and Director Gibbons in Campbell, and thanked the Board of Directors for their leadership in adopting reach codes.

Chair Miller closed public comment.

Director Sinks requested SVCE develop a reach code program one-pager which Directors could take to other agencies.

Director Gibbons requested SVCE staff and CalCCA make a presentation to the Association of Bay Area Governments (ABAG) executive board.

Alternate Director Bruins inquired about Senator Scott Weiner's legislation regarding PG&E and the creation of a publicly owned utility; CEO Balachandran responded and noted efforts on PG&E reorganization would be provided as updates in future meetings.

4) Appoint Board Committee Members (Action)

Board Clerk Andrea Pizano introduced the item.

MOTION: Alternate Director Eulo moved and Director Tovar seconded the motion to approve the following members of SVCE Committees as summarized by staff:

Legislative and Regulatory Responses to Industry Transition Ad Hoc Committee

Vice Chair Nancy Smith
Director Javed Ellahie
Director Neysa Fligor
Director Yvonne Martinez Beltran
Director Rob Rennie
Director Rod Sinks

Audit Committee

Vice Chair Nancy Smith
Director George Tyson
Alternate Director Elaine Marshall

Finance and Administration Committee

Chair Howard Miller
Director Javed Ellahie
Director Liz Gibbons
Director Rob Rennie
Maria Oberg, Santa Clara County Treasury Administrator

Chair Miller opened public comment.

No speakers.

Chair Miller closed public comment.

The motion carried unanimously with Director Ellenberg absent.

5) Clean Energy Procurement and Integrated Resource Planning Update (Discussion)

CEO Balachandran and Director of Power Resources Monica Padilla presented a PowerPoint presentation and responded to board member questions.

Vice Chair Smith requested staff add the risks and what the impacts would be if the risks are realized to future presentations.

Chair Miller opened public comment.

Bruce Karney, resident of Mountain View, provided comments on the cost of renewable resources, suggested legislature of a PCIA equivalent when load departs a CCA, applauded the work done by SVCE to acquire new renewable resources of a variety of kinds, noted he would like to have more explicit conversation about the cost and benefits of the organization in incentivizing rooftop solar within the service territory, interest in the penalties and requirements mentioned by Director of Power Resources Padilla, comments on a legislative fix that all new direct access load must be served by 100% renewable energy, and a request for visibility to the organization's 24x7 renewable energy performance.

Chair Miller closed public comment.

6) Adopt Resolutions Authorizing the Chief Executive Officer to Execute an Amended and Restated Renewable Power Supply Power Purchase Agreement with RE Slate 1 LLC and If Shortlisted, Authorizing the Chief Executive Officer to Execute a Confirmation with PG&E for Long-term RPS Bundled Energy (Action)

Director of Power Resources Monica Padilla presented a PowerPoint presentation and responded to board member questions. Director Gibbons made a two-part motion.

MOTION: Director Gibbons moved and Alternate Director Eulo seconded the motion to adopt Resolution No. 2020-04: Amended and Restated Power Purchase Agreement (PPA) with RE Slate 1, LLC., ("Slate") to increase the solar and battery storage capacity and extend the PPA term. Power delivery term: June 30, 2021 to June 29, 2038, in an amount not to exceed \$198,500,000.

MOTION: Director Gibbons moved and Alternate Director Eulo seconded the motion to adopt Resolution No. 2020-05: If shortlisted, a Confirmation Agreement under Pacific Gas and Electric (PG&E) and SVCE Master Power Purchase and Sale Agreement for Long-term RPS Bundled Energy. Power delivery term: January 2021 to December 31, 2030, in an amount not to exceed \$13,500,000.

Chair Miller opened public comment.

No speakers.

Chair Miller closed public comment.

Both motions carried unanimously with Director Ellenberg absent.

7) Adopt Resolution Approving the Revised SVCE Decarbonization Strategy and Programs Roadmap, New Program Briefs, and Budget Allocation Adjustments (Action)

Prior to hearing Item 7, Director Rennie announced he would recuse himself from the item as he is working for a start-up which is developing products in the low-carbon building electrification space and the proposed programs related to building decarbonization could materially benefit the company that he is doing work for.

Director Rennie left the meeting at 9:12 p.m.

Director of Decarbonization and Grid Innovation Programs Aimee Bailey presented a PowerPoint presentation and responded to board member questions.

Vice Chair Smith questioned the flexibility of the program process and confirmed with Director of Decarbonization and Grid Innovation Programs Bailey the comprehensive program review will be coming forward on an as-needed basis to the Board.

Alternate Director Eulo inquired if SVCE is on pace to spend all of the allotted program funds this fiscal year, or if SVCE will need to establish an additional reserve fund at the end of the fiscal year; Director of Decarbonization and Grid Innovation Programs Bailey commented she would need to reference the timeline of the contracts and would get back to the Board.

Chair Miller opened public comment.

James Tuleya commented support for the staff proposal and noted he appreciated staff reaching out to community leaders for input on the programs roadmap. Tuleya commented on the broader regional effort related to reach codes and building decarbonization.

Chair Miller closed public comment.

MOTION: Vice Chair Smith moved and Director Tovar seconded the motion to approve Resolution No. 2020-06 to adopt the revised SVCE Decarbonization Strategy & Programs Roadmap, new program briefs, and the following budget allocation adjustments.

Program	Budget Allocation Adjustment
Building Decarb Joint Action Plan	\$150k (programs reserve)
Resilience at Community Facilities	\$150k (programs reserve)
Streamlining Community-Wide Electrification	\$200k (programs reserve)
Customer Resource Center	\$500k for FY2021-FY2022

The motion carried unanimously with an abstention from Director Rennie, and Director Ellenberg absent.

8) Executive Committee Report (Discussion)

Chair Miller reported the Executive Committee met January 31, 2020 and selected a Chair, which was Chair Miller, and a Vice Chair, Vice Chair Nancy Smith. The committee selected their regular meeting schedule, recommended a July Board meeting hiatus, and received updates from staff on the annual decarbonization programs roadmap.

9) Finance and Administration Committee Report (Discussion)

Chair Miller reported the Finance and Administration Committee met January 17, 2020 and received updates on SVCE's credit rating, the new office lease on the third floor of the current SVCE office building, and long-term power prepay agreement.

10) Audit Committee Report (Discussion)

Vice Chair Nancy Smith announced her report was absorbed in Item 2) Receive Financial Audit Report from Pisenti & Brinker, LLP.

Board Member Announcements and Direction on Future Agenda Items

Director Tovar commended CEO Balachandran for taking time to respond to questions on the Board agenda.

Vice Chair Smith welcomed new members to the Board.

Alternate Director Eulo inquired when the Board of Directors would see an item to approve the virtual power plant battery project; CEO Balachandran estimated the board would see the item in two months.

Alternate Director Eulo commented on a Net Energy Metering item addressed by the board in 2017, and noted some Directors needed to recuse themselves from voting on the item because they would be affected directly. Alternate Director Eulo requested direction from legal counsel on if members who own solar systems are able to participate in the future virtual power plant battery program, or if they should recuse themselves from voting on the item; General Counsel Greg Stepanicich noted an answer to the question would be provided in advance of the meeting addressing the item.

Adjourn

Chair Miller adjourned the meeting at 9:42 p.m.

ATTEST:



SECRETARY