



Silicon Valley Clean Energy Executive Committee Meeting

Friday, April 26, 2024
10:00 am

Tina Wallia, Chair
City of Saratoga

George Tyson, Vice Chair
Town of Los Altos Hills

Elliot Scozzola
City of Campbell

Sheila Mohan
City of Cupertino

Zach Hilton
City of Gilroy

Sally Meadows
City of Los Altos

Rob Rennie
Town of Los Gatos

Evelyn Chua
City of Milpitas

Bryan Mekechuk
City of Monte Sereno

Yvonne Martinez Beltran
City of Morgan Hill

Pat Showalter
City of Mountain View

Larry Klein
City of Sunnyvale

Otto Lee
County of Santa Clara

Silicon Valley Clean Energy Office
333 W. El Camino Real, Suite 330
Sunnyvale, CA

Teleconference Meeting Information:

<https://svcleanenergy-org.zoom.us/j/88249759907>

Telephone (Audio only):

US: +1 669 219 2599

Webinar ID: 882 4975 9907

Members of the public may observe this meeting electronically by accessing the meeting via instructions above. Public Comments can be sent in advance of the meeting via email up to three hours before the meeting begins to Board Clerk Andrea Pizano at Andrea.Pizano@svcleanenergy.org and will be distributed to the Executive Committee. The public will also have an opportunity to provide comments during the meeting. Members of the public using Zoom may comment during public comment or the applicable agenda item by using the Raise Hand feature and you will be recognized by the Chair. Those using the telephone (audio only) feature should press star 9 on your phones to initiate the "Raise Hand" function in Zoom. You will then be announced, unmuted, and your time to speak will begin.

The public may provide comments on any matter listed on the Agenda. Speakers are customarily limited to 3 minutes each, however, the Committee Chair may increase or decrease the time allotted to each speaker based on the number of speakers, the length of the agenda and the complexity of the subject matter. Speaking time will not be decreased to less than one minute.

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act ("ADA") please contact Board Clerk Andrea Pizano at Andrea.Pizano@svcleanenergy.org prior to the meeting for assistance.

AGENDA

Call to Order

Roll Call

Public Comment on Matters Not Listed on the Agenda

The public may provide comments on any matter not listed on the Agenda provided that it is within the subject matter jurisdiction of SVCE. Speakers are customarily limited to 3 minutes each, however, the Committee Chair may increase or decrease

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the time allotted to each speaker based on the number of speakers, the length of the agenda and the complexity of the subject matter. Speaking time will not be decreased to less than one minute.

Tina Wallia, Chair
City of Saratoga

Consent Calendar (Action)

George Tyson, Vice Chair
Town of Los Altos Hills

- 1) Approve Minutes of the February 23, 2024, Executive Committee Meeting

Elliot Scozzola
City of Campbell

Regular Calendar

Sheila Mohan
City of Cupertino

- 2) CEO Update (Discussion)
- 3) Recommend the SVCE Board of Directors Authorize the Chief Executive Officer to Execute Necessary Agreements for Resource Adequacy Capacity from High Desert Power Project, LLC (Action)
- 4) Proposal for the Hanford Hybrid Plant Emissions Mitigation Guidelines (Discussion)
- 5) Program Snapshot: Priority Zone DC Fast Charging 2.0 Program Update (Information Only)

Zach Hilton
City of Gilroy

Sally Meadows
City of Los Altos

Rob Rennie
Town of Los Gatos

Committee/Staff Remarks

Evelyn Chua
City of Milpitas

Bryan Mekechuk
City of Monte Sereno

Adjourn

Yvonne Martinez Beltran
City of Morgan Hill

Pat Showalter
City of Mountain View

Larry Klein
City of Sunnyvale

Otto Lee
County of Santa Clara

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**Silicon Valley Clean Energy
Executive Committee Meeting**

Friday, February 23, 2024
10:00 a.m.

Silicon Valley Clean Energy Office
333 W El Camino Real, Suite 330
Sunnyvale, CA

DRAFT MEETING MINUTES

Call to Order

Chair Klein called the meeting to order at 10:02 a.m.

Roll Call

Present:

Chair Larry Klein, City of Sunnyvale
Vice Chair Bryan Mekechuk, City of Monte Sereno
Director Sally Meadows, City of Los Altos
Director George Tyson, Town of Los Altos Hills
Director Yvonne Martinez Beltran, City of Morgan Hill
Director Tina Walia, City of Saratoga

Absent:

None.

Public Comment on Matters Not Listed on the Agenda

No speakers.

Consent Calendar

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

MOTION: Vice Chair Mekechuk moved and Director Walia seconded the motion to approve the Consent Calendar.

The motion carried unanimously with all members present.

- 1) Approve Minutes of the January 23, 2024, Executive Committee Meeting**



Regular Calendar

2) CEO Update (Discussion)

CEO Girish Balachandran provided a CEO update which included:

- An update on the CEO transition from CEO Balachandran to incoming CEO Monica Padilla,
- Upcoming committee meetings and the development of the 2025 Strategic Focus Areas,
- Invitation for committee members to reach out to staff if there are any specific topics of interest for a one-on-one briefing, and
- A reminder the CalCCA annual meeting would take place April 16-18, 2024 in San Jose, CA.

Chair Klein opened public comment.

No speakers.

Chair Klein closed public comment.

3) Recommend the SVCE Board of Directors Adopt SVCE's Load Management Standards Compliance Plan (Action)

Citlalli Sandoval, Senior Regulatory Advisor, presented a request to the Executive Committee to recommend the SVCE Board of Directors consider adopting SVCE's Load Management Standards (LMS) Plan drafted by staff and included in the committee's packet. The presentation included information on the following:

- LMS requirements;
- Context for discussion and relationship to other activities;
- Overview of compliance plan sections;
- SVCE's Efforts to-date;
- Estimating Potential Dynamic Rate Impacts – 4 Perspectives; and
- Conclusion and Next Steps

Staff responded to committee member questions regarding the process of review and approval by the California Energy Commission, when other agencies and CCAs would be submitting their plans, if the submitted plans from other agencies are public and a request to include a list with links to those plans for the Board of Directors, if the potential dynamic rate impacts presented included increased demand from electric vehicle charging, network connectivity, a request to identify when an item included in the packet has been redacted, the projected impact of dynamic rates to SVCE's load, and coordination with other CCAs.

The committee and staff discussed including the item on the Consent agenda at the March Board of Directors meeting; the committee was in consensus to include the item on the Consent Calendar.

Chair Klein opened public comment.

No speakers,

Chair Klein closed public comment.

MOTION: Director Walia moved and Director Martinez Beltran seconded the motion to recommend the SVCE Board of Directors adopt SVCE's Load Management Standards Compliance Plan as presented by staff.

The motion carried unanimously with all members present.



4) SVCE Policy Review Update (Discussion)

Gia Illole, Director of Human Resources, presented an update on staff’s policy maintenance efforts. Information presented included:

- Current SVCE policy metrics;
- CCA Comprehensive policy metrics;
- Policies, standards and procedures categories and examples, and
- Next steps to review, revise, realign, and reassign the existing policies.

Staff responded to committee member questions on the policy review process and determining what should remain a policy.

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

5) Assigning Already-Allocated Funding Towards Specific Decarbonization Programs (Discussion)

Justin Zagunis, Director of Decarbonization Programs and Policy, presented the item for feedback from the Executive Committee on the proposed program funding assignments for the ~\$34M recently added to the Programs Fund. Information presented included:

- Existing SVCE program efforts and initial analysis on current portfolio, feedback/needs, and stakeholder/customer interests;
- Program summaries; and
- Plans for additional stakeholder input.

Dir. of Decarbonization Programs and Policy Zagunis reviewed the planned allocations as shown below:

Category	Allocation	Program
Expanded single family customer participation in home electrification (renters, lower costs)	+\$16M	Single Family Turnkey
		Neighborhood Electrification
		Portable Heat Pumps
Customer awareness (experiential and marketing)	+\$11.5M	eHub
		Community Demonstration Grants
		Programs Marketing Fund
E-mobility incentives	+\$2M	E-Bikes
		Targeted EV Rebates and Education
Workforce	+\$1.3M	Workforce Development Partnerships
C&I projects	+\$2M	C&I Technical Support and Incentives
Other	+\$0.75M	Virtual Power Plant
		EM&V



Staff responded to committee member questions on the programs and proposed allocations.

Chair Klein opened public comment.

No speakers.

Chair Klein closed public comment.

6) 2023 SVCE and Electrification Awareness Residential Customer Survey Results (Information Only)

Adam Selvin, Director of Energy Services and Community Relations, and Michaela Pippin, Principal Communications Specialist, provided an informational presentation on the 2023 Customer Survey findings. The presentation included:

- Background on the customer survey;
- 2023 survey methodology;
- Socio-Economic Vulnerability index information; and
- An overview of survey results.

Staff summarized the 2023 results were aligned with expectations for SVCE awareness , technology-specific results offered insights into tailored messaging, and there were new or expanded marketing and outreach opportunities for different customer segments.

Committee members provided comments on the survey results, SVCE program offerings, and requested information via email on EV charging incentives for new affordable housing.

Chair Klein opened public comment.

No speakers.

Chair Klein closed public comment.

Committee/Staff Remarks

Director Walia shared she and Director Martinez Beltran attended CalCCA's Lobby Day in Sacramento, which was a great opportunity to connect with other CCAs and share SVCE's work and challenges.

Director Martinez Beltran agreed with Director Walia's comments and noted it was important to speak with legislators about the benefits of CCAs.

CEO Balachandran recognized the Town of Los Altos Hills for adopting an emissions based reach code and congratulated city council, staff, and the community.

Chair Klein spoke to an article in the San Jose Mercury News on PG&E profits, and invited all to attend a ribbon-cutting event for the City of Sunnyvale's Civic Center on April 20, 2024.

Adjournment

Chair Klein adjourned the meeting at 12:25 p.m.

ATTEST:

Andrea Pizano, Board Secretary



Staff Report – Item 2

Item 2: CEO Update

From: Monica Padilla, CEO

Prepared by: Andrea Pizano, Sr. Executive Assistant and Board Clerk

Date: 4/26/2024

This item will be addressed in the form of an oral report to the Executive Committee.



Staff Report – Item 3

Item 3: Recommend the SVCE Board of Directors Authorize the Chief Executive Officer to Execute Necessary Agreements for Resource Adequacy Capacity from High Desert Power Project, LLC

From: Monica Padilla, CEO

Prepared by: Kris Van Vactor, Director of Power Resources
Britta Bradshaw, Power Resource Manager
Owen Milligan, Associate Power Analyst

Date: 4/26/2024

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy Authority (SVCE) Executive Committee recommend the SVCE Board of Directors authorize the Chief Executive Officer (CEO) to execute a Long Form Resource Adequacy Agreement with High Desert Power Project, LLC (“MRP RA Agreement”) and any necessary ancillary agreements and documents as follows:

- 6-Year term RA Agreement with expected delivery from January 1, 2027 through December 31, 2032; and
- 50 megawatts (MW) of baseload System and Flexible Resource Adequacy (RA) capacity from natural gas.

Execution of the MRP RA Agreement contributes substantially to meeting SVCE’s RA requirements in 2027-2032. The 6-year MRP RA Agreement exceeds the CEO’s authority under the Board-approved Energy Risk Management Policy which currently authorizes transactions for RA up to five-years in term.

The MRP RA Agreement is in process and will be structured based on standard RA transaction terms and therefore is not provided as an attachment.

BACKGROUND

Under its Resource Adequacy (RA) program, the California Public Utilities Commission (CPUC) requires load-serving entities (LSEs), including SVCE, to demonstrate in both monthly and annual filings that they have purchased capacity to contribute their share of system reliability. The program includes three distinct requirement categories: System RA, Local RA, and Flexible RA. Beginning in 2025, a new RA Slice of Day program will be implemented requiring that LSEs show capacity in each category to meet their hourly reliability needs. While hourly requirements will vary throughout each hour, month, and year, a significant amount of baseload capacity, or capacity that is available throughout all hours, will be beneficial under this Slice of Day framework.

SVCE has a need for baseload capacity that can serve as System RA and Flexible RA beginning in 2027. This agreement will contribute substantially to SVCE’s ability to meet its RA obligations in 2027 and beyond at a reasonable cost to customers.

ANALYSIS & DISCUSSION

In March, SVCE launched a solicitation seeking offers that can meet its baseload RA requirements for any years between 2027-2031. SVCE received three offers. While the MRP RA Agreement extends beyond 2031,

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this agreement results from the most competitively-priced offer under the solicitation. The High Desert Power Project, a natural gas power plant located in San Bernardino County, will provide 50 MW of Flexible and System RA for six years (2027-2032). Natural gas capacity resources are needed to ensure reliability as California transitions to a clean, carbon-free grid. The MRP RA Agreement is for RA capacity only and will not provide energy. As such, the emissions associated with running the facility will not be attributed to SVCE's load nor reflected on its power content label.

With the inclusion of the MRP RA Agreement, SVCE expects roughly 35% of its RA needs will come from natural gas resources in 2027. This amount will decline as SVCE brings on more of its power purchase agreements for clean energy resources and storage capacity resources.

This agreement will contribute towards filling SVCE's net open RA position in these years; however, it will not meet SVCE's full remaining need during any period in 2027 and beyond. SVCE is seeking to balance price fluctuations in the RA market through a process of frequently soliciting for and procuring modestly-sized contracts throughout the years and months leading up to its compliance deadlines. SVCE will continue to manage its RA position leading up to and during the term of this RA agreement.

Vendor: High Desert Power Project, LLC is a subsidiary of Middle River Power (MRP), an asset management company with over 3,000 MW of energy resources in development and operation in the United States, including an existing agreement with SVCE: the Hanford resource providing natural gas and battery energy storage capacity.

STRATEGIC PLAN

Execution of the MRP RA Agreement supports the reliability- and compliance-focused goals of the Board adopted Strategic Plan including:

- Goal 7 – Acquire clean and reliable electricity in a cost-effective, equitable and sustainable manner
 - Measure 1 – Meet SVCE-Board directed 100% clean goals and Integrated Resource Plan directives; RPS mandates; RA obligations; and procurement mandates
- Goal 8 – Manage and optimize power supply resources to meet affordability, GHG reduction and reliability objectives
 - Measure 1 – Manage power supply portfolio and energy risk, and optimize market participation

ALTERNATIVE

Do not authorize the CEO to execute the MRP RA Agreement and, instead, seek to fill SVCE's net open RA position through future solicitations and/or bilateral agreements. Staff does not recommend due to the significant possibility of market prices increasing for capacity that can meet this need. While SVCE will continue to manage its RA position leading up to 2027-2031, this agreement can bring SVCE closer to compliance at a cost that is beneficial to customers.

FISCAL IMPACT

Ultimate execution of the agreement will result in costs to SVCE starting in Fiscal Year 2026-2027 (FY 26-27), which will be reflected in the proposed budget for FY 26-27. The MRP RA Agreement is below the budget projections included in the 5-year cost projection provided during the FY 2023 to 2024 mid-year budget.



Staff Report – Item 4

Item 4: Proposal for the Hanford Hybrid Plant Emissions Mitigation Guidelines

From: Monica Padilla, CEO

Prepared by: Citlalli Sandoval, Senior Regulatory Advisor

Date: 4/26/2024

This item will be addressed in the form of a presentation to the Executive Committee, providing an overview of SVCE Staff’s proposal for the Hanford Hybrid Plant Emissions Mitigation Guidelines.

ATTACHMENT

The presentation for this item is posted to the SVCE website.



Staff Report – Item 5

Item 5: Program Snapshot: Priority Zone DC Fast Charging 2.0 Program Update

From: Monica Padilla, CEO

Prepared by: Hannah Gustafson, Senior Programs Specialist

Date: 4/26/2024

This item will be addressed in the form of a presentation to the Executive Committee providing a snapshot overview of the Priority Zone DC Fast Charging 2.0 Program.

ATTACHMENT

The presentation for this item is posted to SVCE’s website.