



Silicon Valley Clean Energy Authority

Board of Directors Meeting

Wednesday, June 12, 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 7:01 p.m.

Roll Call

Present:

Chair Margaret Abe-Koga, City of Mountain View

Vice Chair Howard Miller, City of Saratoga

Director Javed Ellahie, City of Monte Sereno

Director Marico Sayoc, Town of Los Gatos

Director Nancy Smith, City of Sunnyvale

Director Courtenay Corrigan, Town of Los Altos Hills

Director Liz Gibbons, City of Campbell

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 7:04 p.m.)

Director Fred Tovar, City of Gilroy

Absent:

Director Bob Nuñez, City of Milpitas

Director Rod Sinks, City of Cupertino

Public Comment on Matters Not Listed on the Agenda

No speakers.

Consent Calendar

Chair Abe-Koga opened public comment for those wishing to pull an item from the consent calendar.

No speakers.

Chair Abe-Koga closed public comment for those wishing to pull an item from the consent calendar.

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

The motion carried unanimously with Directors Martinez Beltran, Nuñez, and Sinks absent.

1a) Approve Minutes of the May 8, 2019, Board of Directors Meeting

1b) Receive April 2019 Treasurer Report

1c) Approve Establishment of SVCE EV-2A Generation Rate to Correspond with New PG&E Rate

1d) Adopt Resolution Amending SVCE's Energy Risk Management Policy

- 1e) Adopt Resolution to Authorize the Chief Executive Officer to Execute Service Agreements with 1) Sacramento Municipal Utility District; 2) Center for Sustainable Energy; and 3) ADM Associates, Inc. and Delegate Authority to CEO to Spend up to \$1,000,000 in Aggregate through September 30, 2021 Under Master Consultant Agreements**
- 1f) Innovation Onramp Program Update and Request to Authorize Chief Executive Officer to Execute Agreement with UtilityAPI for an Energy Data Exchange Platform Pilot in the Amount of \$279,000**
- 1g) Receive Automated Meter Infrastructure Audit Report from Abbott, Stringham and Lynch**
- 1h) Receive the Annual Information Technology Audit Results**
- 1i) Authorize the Chief Executive Officer to Execute Amended Engagement Letter Amending Scope of Work and Not-to-Exceed Amount with Keyes & Fox LLP**
- 1j) Receive Finance and Administration Committee Report**
- 1k) Receive Legislative Ad Hoc Committee Report**

Regular Calendar

2) CEO Report (Discussion)

CEO Girish Balachandran provided a staff update which included an introduction of Ian Williams, Power Resources Manager, and Ben Linthicum, Innovation Analyst Intern, who both provided brief comments. CEO Balachandran and Programs Analyst Intern Robert Spragg commented on the end of his internship.

CEO Balachandran introduced participants from the Stanford Cleantech Challenge, Eric Trusiewicz and Robbie Harding, who presented a PowerPoint presentation on their winning building electrification idea. Trusiewicz and Harding responded to committee questions and comments.

Manager of Regulatory and Legislative Affairs Hilary Staver provided a Regulatory and Legislative update.

3) Adopt Resolution to Implement SVCE Generation Rate Changes Effective August 1, 2019 (Action)

Director of Account Services and Community Relations Don Bray presented a PowerPoint presentation and responded to Board member questions.

Director of Finance and Administration Don Eckert responded to questions regarding the expected contributions to reserves and SVCE financials; CEO Balachandran provided additional information and responded to Board member questions.

Director Ellahie requested information on PG&E transmission rates.

The Board and staff discussed the item including: proposed rate changes and the discussions at the last Executive Committee meeting, the impact rates have on consumers, a letter received from a member of the public, the function used to determine the discount framework, and how SVCE would communicate the rate change and message with customers.

Chair Abe-Koga opened public comment.

Bruce Karney, Mountain View resident, commented on the following: the idea of guardrails for rates as structured by staff, his belief on what events cause customers to notice their electricity bill, and the impact of potentially voided above-market solar power contracts as a result of the PG&E bankruptcy.

Chair Abe-Koga closed public comment.

MOTION: Vice Chair Miller moved and Director Smith seconded the motion to adopt Resolution 2019-11 authorizing the CEO to implement SVCE generation rate changes effective August 1, 2019, resulting in incremental revenue of \$11.3-13.5M and utilizing an applicable SVCE discount to PG&E rates under the 'Discount Framework'; the applicable discount is expected to be 3%, but may be modified per the Discount Framework to reflect the impact of actual versus currently-projected July 1 PG&E generation rate and PCIA changes.

The motion carried unanimously with Directors Nuñez and Sinks absent.

4) Approve Non-Standard Pricing Agreement Policy and Adopt Resolution Delegating Authority to the Chief Executive Officer to Negotiate Non-Standard Pricing Agreements for Eligible Large Commercial and Industrial Customers (Action)

Director of Account Services and Community Relations Bray introduced the item and presented a PowerPoint presentation; Director of Account Services and Community Relations Bray, Director of Power Resources Monica Padilla, and CEO Balachandran responded to Board member questions.

The group discussed policy related to state requirements and decarbonization goals for Direct Access (DA) customers, and how cities and the county could help decarbonization goals for DA customers.

Director Ellahie proposed an SVCE commercial customer program, similar to air mileage reward programs, in which companies acquire credits for being SVCE customers and receive discounts on rates.

Director Smith requested staff provide an update in December to evaluate the performance of the resolution.

Alternate Director Fligor suggested staff leverage members of the Board to reach out to company government relations employees.

Director Gibbons suggested licensing the SVCE logo for companies to use on their literature, and noted a November climate report may re-incentivize people.

Chair Abe-Koga opened public comment.

Bruce Karney commented his opinion of a disconnect on energy goals with what the state wants to accomplish and what the cities and county want to accomplish, and provided an idea implementable at the city level created by the Mountain View Sustainability Task Force.

Chair Abe-Koga closed public comment.

MOTION: Director Ellenberg moved and Director Corrigan seconded the motion to adopt Resolution No. 2019-12, delegating to the CEO the authority to negotiate and execute non-standard pricing agreements with eligible large commercial and industrial customers, provided that the pricing agreements meet the minimum requirements set forth in the Non-Standard Pricing Agreement Policy, and staff will develop a performance update and present to the board by December 2019.

The motion carried unanimously with Director Nuñez and Sinks absent.

5) Approve Amendments to SVCE Strategic Plan (Action)

CEO Balachandran introduced the item and a PowerPoint presentation; Director of Finance and Administration Eckert and Director of Power Resources Padilla presented and responded to Board member questions.

Director Martinez Beltran left the meeting at 9:30 p.m.

Chair Abe-Koga opened public comment.
No speakers.
Chair Abe-Koga closed public comment.

Alternate Director Fligor left the meeting at 9:45 p.m.

MOTION: Director Corrigan moved and Director Smith seconded the motion to approve the amendments to the Strategic Plan as presented by staff.

The motion carried unanimously with Alternate Director Fligor and Directors Martinez Beltran, Nuñez, and Sinks absent.

6) Executive Committee Report (Discussion)

Chair Abe-Koga reported the Executive Committee met May 24th, and discussed the August rate update and provided feedback on the proposed amendments to the Strategic Plan. Chair Abe-Koga noted the next meeting would occur on Friday, June 28th, at 9:30 a.m.

Chair Abe-Koga opened public comment.
No speakers.
Chair Abe-Koga closed public comment.

7) Audit Committee Report (Discussion)

Director Corrigan reported the Audit Committee convened on June 5th and selected Director Corrigan as Chair and Director Smith as Vice Chair of the committee for 2019. The committee received a presentation and report from Abbot, Stringham and Lynch, whose firm conducted the AML audit; received a presentation from staff on the results of the IT Audit and discussed strengths and recommendations; and discussed the results of the Request for Information on cybersecurity and the data security focus moving forward. The next Audit Committee meeting is scheduled for December 4th at 11:30 a.m. to kick off the financial audit.

Chair Abe-Koga opened public comment.
No speakers.
Chair Abe-Koga closed public comment.

Director Martinez Beltran returned at 9:50 p.m.

Board Member Announcements and Direction on Future Agenda Items

Director Ellahie requested the meeting agenda be posted on Wednesdays as opposed to Fridays to give Directors and the public more time for review. CEO Balachandran responded his belief that posting materials at an earlier time would be challenging; CEO Balachandran offered to meet with board members in advance to assist in providing information earlier. Board members provided additional comments regarding agenda posting timing.

Director Gibbons thanked staff for assistance on a customer bill, and commented the American Institute of Architects passed a resolution to prioritize and support urgent climate action and accelerate the decarbonization of buildings, the building sector, and the built environment. Vice Chair Miller requested Director Gibbons send the resolution to staff for distribution to SVCE Directors, Alternate Directors, and member agency staff.

Director Martinez Beltran requested to agendaize how the Board can help decarbonization goals for DA customers through member municipalities; Chair Abe-Koga suggested adding the item to a future agenda after the completion of reach codes.

Director Smith noted she enjoyed the conversation and would be driving to Sacramento following closed session.

Public Comment on Closed Session

No speakers.

Chair Abe-Koga announced the Board would be meeting in closed session to discuss Public Employee Performance Evaluation in the Community Hall Kitchen.

Prior to meeting in closed session, Director Ellenberg left the meeting.

The Board convened to Closed Session in the Community Hall Kitchen at 9:59 p.m.

Convene to Closed Session (Community Hall Kitchen)

Public Employee Performance Evaluation

Title: Chief Executive Officer

Conference with Labor Negotiator

Agency Representative: Margaret Abe-Koga, Chair, Board of Directors

Unrepresented Employee: Chief Executive Officer

The Board returned to the Council Chambers at 10:16 p.m. with Alternate Director Fligor and Directors Ellenberg, Nuñez, and Sinks absent.

Report from Closed Session

Chair Abe-Koga reported there was nothing to report from closed session.

Adjourn

Chair Abe-Koga adjourned the meeting at 10:17 p.m. and noted the next meeting would occur on August 14, 2019.

ATTEST:



SECRETARY