



Silicon Valley Clean Energy Executive Committee Meeting

Wednesday, November 17, 2021
2:00 pm

Margaret Abe-Koga, Chair
City of Mountain View

Liz Gibbons, Vice Chair
City of Campbell

Jon Willey
City of Cupertino

Zach Hilton
City of Gilroy

Neysa Fligor
City of Los Altos

George Tyson
Town of Los Altos Hills

Rob Rennie
Town of Los Gatos

Evelyn Chua
City of Milpitas

Javed Ellahie
City of Monte Sereno

Yvonne Martinez Beltran
City of Morgan Hill

Tina Walia
City of Saratoga

Gustav Larsson
City of Sunnyvale

Susan Ellenberg
County of Santa Clara

Teleconference Meeting
Webinar:

<https://us06web.zoom.us/j/81689449144>

Or by Telephone (Audio only):
US: +16692192599

Webinar ID: 816 8944 9144

This meeting will be conducted in accordance with California Government Code Section 54953(e), in consideration of the Coronavirus (COVID-19). All members of the Silicon Valley Clean Energy Executive Committee and staff will participate in this meeting by teleconference.

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 to Board Clerk Dorothy Roberts at Dorothy.Roberts@svcleanenergy.org and will be read within the public comment period or the applicable agenda item. 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 Secretary Melody Vega at Melody.Vega@svcleanenergy.org prior to the meeting for assistance.

AGENDA

Call to Order

Roll Call

Public Comment on Matters Not Listed on the Agenda

svcleanenergy.org

333 W El Camino Real
Suite 330
Sunnyvale, CA 94087



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 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.

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Consent Calendar (Action)

- 1) Approve Minutes of the October 22, 2021, Executive Committee Meeting

Regular Calendar

- 2) CEO Report
- 3) SVCE Information Update on 2022 SVCE Board Elections
- 4) Recommend that the Board of Directors Direct the CEO to Approve the California Community Power and LS Power Tumbleweed Energy Storage Service Agreement and Ancillary Agreements for Long Duration Energy Storage
- 5) PCIA, PG&E Gen Rate, and Corresponding SVCE Margin Update

Committee/Staff Remarks

Adjourn

svcleanenergy.org

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Silicon Valley Clean Energy Executive Committee Meeting

Friday, October 22, 2021
2:45 p.m.

Pursuant to State of California Gov't Code Section 54953 (e) the meeting was conducted via teleconference.

DRAFT MINUTES

Call to Order

Chair Gibbons called the meeting to order at 2:45 p.m.

Roll Call

Present:

Chair Liz Gibbons, City of Campbell
Vice Chair George Tyson, Town of Los Altos Hills
Director Neysa Fligor, City of Los Altos
Director Javed Ellahie, City of Monte Sereno

Absent/ Delayed:

It was noted that Director Abe-Koga was absent during Roll Call but would join the meeting in progress shortly.

All present Board members participated via teleconference.

Public Comment on Matters Not Listed on the Agenda

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

Consent Calendar

1) Approve Minutes of the August 27, 2021, Executive Committee Meeting Regular Calendar

There were no comments from the public or the Committee members concerning the Consent Calendar.

MOTION: Director Tyson moved and Director Fligor seconded the motion to approve the Consent Calendar.

The motion carried unanimously by a verbal roll call vote.



Margaret Abe-Koga, Chair
City of Mountain View

Liz Gibbons, Vice Chair
City of Campbell

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Regular Calendar

2) Recommend the Board Approve the Amended Energy Risk Management Policy

Chair Gibbons clarified that the Executive Committee action was not to approve the item but rather to consider recommending the revised policy for full Board consideration.

Director of Power Resources Monica Padilla stated she would introduce the item in the absence of CFO and Director of Administrative Services Amrit Singh who had worked with consultants on the amended policy. She explained that every two years the Risk Management Policy must be reviewed; this year SVCE contracted with Ascend Analytics to assist in that effort. She introduced Ascend Analytics representatives Scott Wrigglesworth, Managing Director, Operations & Strategy, and Carlos Blanco, Managing Director, Analytic Solutions.

Mr. Blanco reviewed the suggested Policy changes in detail. Discussion ensued concerning justification of the changes, how “at-risk” metrics and stress tests were formulated, reliability factors, Energy Hedging and new directives on employee conflicts-of-interest.

- **Note: Director Abe-Koga joined the meeting at 3:13 p.m.**

Chair Gibbons called for Public Comment, none were provided.

MOTION: Director Ellahie moved, seconded by Director Tyson, to recommend the SVCE Board approve the Amended Energy Risk Management Policy.

The motion carried unanimously by a verbal roll call vote.

3) CEO Update

a. Upcoming Executive Committee and Board items

CEO Balachandran updated the Committee on current and future consultant contracts, and provided an overview of upcoming Board items.

- **Note: Director Fligor left the meeting at 3:34 p.m.**

b. Update on California electricity system policy and operations

CEO Balachandran provided a presentation on the high cost of prices in the power markets. He stressed that the cost and reliability of hydro power coupled with the issues concerning natural gas have driven prices up, which requires the staff and Board to have critical discussions regarding what SVCE’s “Clean Energy” future will look like.

There were no further questions from the Board.

Chair Gibbons called for Public Comment. No comments were provided.



Margaret Abe-Koga, Chair
City of Mountain View

Liz Gibbons, Vice Chair
City of Campbell

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4) “Doubling Down” on Decarbonization

Justin Zagunis, Manager of Decarbonization and Grid Innovation Programs, provided a presentation to identify efforts to prioritize or de-prioritize programs. He stated that SVCE can “double down” on key programs with additional funding and a focus on multifamily tenant EV access and natural gas phase-out. He reviewed the opportunities and challenges and detailed key programs to expand.

Brief Committee discussion ensued; Chair Gibbons noted a recent challenge concerning a residential connection in the City of Campbell due to a misreading of their Code; Director Tyson noted that the Town of Los Altos Hills recently adopted an incentive-based natural gas phase out in collaboration with SVCE.

Mr. Zagunis then reviewed potential future steps to achieve the goals articulated in the presentation, such as maintaining momentum on the Reach Codes, simplifying permitting, accessible financing, Multifamily EV Charging Assistance and Grants/Incentives, and experimental policy support. He emphasized there are still opportunities to review and discuss further, such as budget, staffing program specifics and deprioritizing certain programs.

Director questions and responses ensued regarding challenges and opportunities.

CEO Balachandran stated staff was seeking direction as to a consensus with regard to taking the item to the SVCE Board for discussion and consideration.

Chair Gibbons stated she felt the item needed more depth and specificity; Director Abe-Koga stated it would be helpful to provide more information as to a menu of options specifically for local jurisdictions to consider. Director Tyson stated he felt the item was ready for Board consideration. Director Ellahie suggested more detailed information such as the benefit of the Reach Codes, how many houses have been upgraded, the number of contractors that can provide installation of heat pumps; and whether there are opportunities for more contractor training.

CEO Balachandran stated that members had provided enough information for staff to come back to the Committee for further discussion.

Note: due to the hour, Item 5 was taken after Item 6.

6) Recommend the Board Delegate Authority to the CEO to enter into a Coordinated Operating Agreement with Central Coast Community Energy for the Coordination of Operations of Power Purchase

Director of Power Resources Monica Padilla stated that PPAs jointly procured with 3CE require a Coordinated Operations Agreement (COA). She reviewed the PPAs in detail along with the expected on-line dates over the upcoming nine quarters. She explained Buyers-Share versus Non-Buyers Share PPAs and detailed the benefits of sharing the projects, cost and risks, costs and alternatives. She stated the item would come to the full Board on November 10, 2021.



Margaret Abe-Koga, Chair
City of Mountain View

Motion: Director Tyson moved, seconded by Director Abe-Koga, to recommend the Board delegate authority to the CEO to enter into a Coordinated Operating Agreement with Central Coast Community Energy for the coordination of operations of Power Purchase Agreements

Liz Gibbons, Vice Chair
City of Campbell

The motion carried unanimously by a verbal roll call vote.

Jon Robert Willey
City of Cupertino

5) Program Proposal for \$600k in 2020 Savings from PG&E Carbon Free Attributes.

Zach Hilton
City of Gilroy

Brief discussion ensued. Chair Gibbons called for public comment; none were provided.

Motion: Director Abe-Koga moved, seconded by Director Tyson to recommend to the Board approval of the Program Proposal of \$600,000 in 2020 savings from PG&E Carbon Free Attributes.

Neysa Fligor
City of Los Altos

Motion carried unanimously.

George Tyson
Town of Los Altos Hills

Adjourn

Chair Gibbons adjourned the meeting at 4:47 p.m.

Rob Rennie
Town of Los Gatos

Submitted by,

Evelyn Chua
City of Milpitas

Dorothy Roberts,
Interim Board Clerk

Javed Ellahie
City of Monte Sereno

Yvonne Martinez Beltran
City of Morgan Hill

Tina Walia
City of Saratoga

Gustav Larsson
City of Sunnyvale

Susan Ellenberg
County of Santa Clara

DRAFT



Staff Report – Item 2

Item 2: CEO Update

From: Girish Balachandran, CEO

Prepared by: Melody Vega, Interim Executive Assistant

Date: 11/17/2021

The following item will be addressed in the form of an oral report to the Executive Committee from CEO Girish Balachandran:

- 2022 Workshop Agendas



Staff Report – Item 3

Item 3: SVCE Information Update on 2022 SVCE Board Elections

From: Girish Balachandran, CEO

From: Melody Vega, Interim Executive Assistant

Date: 11/17/2021

RECOMMENDATION

Staff recommends that the Executive Committee review the selection process and timeline for SVCE’s Chair, Vice Chair, and Committee members.

BACKGROUND

At the October 24, 2018 meeting, the Board approved a timeline to appoint SVCE’s Chair, Vice Chair and Executive Committee members in January, with remaining committees assigned at the February Board of Directors meeting. SVCE’s Operating Rules and Regulations were then amended in November 2018 to reflect the timing of selections.

SVCE has been using a selection process for the positions of Chair, Vice Chair, and committees which includes the Board Clerk requesting letters of interest for the positions of Chair and Vice Chair prior to the board meeting to be included in the agenda packet and requesting board members complete a committee matrix which indicates interest in either continuing their membership in a committee, dropping their membership in a committee, or joining a committee.

The roles of Chair, Vice Chair, and the Executive Committee are scheduled to be selected at the January 12, 2022 meeting, with remaining committee assignments made at the February 9, 2022 meeting.

ANALYSIS & DISCUSSION

Using a similar process followed in previous years, the Board Clerk will send information to the Board of Directors following the December 2021 board meeting with a call for letters of interest for the positions of Chair and Vice Chair; letters of interest received for these positions will be included in the January Board of Directors meeting agenda packet. Directors interested in serving on the Executive Committee will also be asked to notify the Board Clerk during this time and names will be included in the staff report for the January board meeting. Nominations will also be accepted from the floor for Chair, Vice Chair and Executive Committee membership.

Following the January board meeting, the Board Secretary will distribute a matrix to board members to indicate interest in SVCE’s other committees (Finance and Administration Committee, Audit Committee, and any additional committees formed by the Board between now and January). These spreadsheets will be collected prior to the February board meeting, and staff will include the names of interested directors for each committee in the February board meeting staff report. Requests to join committees will be accepted from the floor.

STRATEGIC PLAN

Appointing SVCE’s representatives supports our mission and goals of the Strategic Plan.

ALTERNATIVE

Staff is open to suggestions from the committee on the process for Chair/Vice Chair and committee selections.

FISCAL IMPACT

There would be no fiscal impact as a result of making appointments.

ATTACHMENTS

1. 2022 Proposed SVCE Board Elections Timeline
2. Draft Committee Matrix for 2022



2022 SVCE Board Elections Timeline

December 8, 2021: Staff presents item at the Board meeting outlining process for 2022 elections based on Executive Committee feedback

December 10, 2021: Board Secretary will send a request for letters/indications of interest for the Chair/Vice Chair positions as well as interest from members looking to serve on the Executive Committee for 2022

January 3, 2022: Letters of interest for Chair/Vice Chair and expression of interest for Executive Committee membership responses due to Board Clerk

January 12, 2022: Chair, Vice Chair, and Executive Committee selections made at the Board of Directors meeting

January 14, 2022: Board Secretary will distribute Committee Matrix worksheet to Directors to indicate interest in serving/continuing to serve on remaining committees

January 28, 2022: Committee Matrix worksheets due to Board Clerk

February 9, 2022: SVCE Committee assignments made at the Board of Directors meeting



Staff Report – Item 4

Item 4: Recommend to Direct the CEO Approve the California Community Power and LS Power Tumbleweed Energy Storage Service Agreement and Ancillary Agreements for Long Duration Energy Storage

From: Girish Balachandran, CEO

Prepared by: Monica Padilla, Director of Power Resources

Date: 11/17/2021

RECOMMENDATION

Staff recommends that the Executive Committee direct the Chief Executive Officer (CEO) as a representative of the California Community Power’s (CC Power) Board vote in favor of approval of the LS Power Tumbleweed Long Duration Energy Storage (“LDS Project”) for the benefit of CC Power participating members, which includes Silicon Valley Clean Authority (SVCE), through the execution of the following agreements:

1. Energy Storage Service Agreement (ESSA) between CC Power and LS Power for 69 megawatts (MW) of lithium-ion storage with an eight-hour discharge duration for a term of 15 years and with an expected start date of June 1, 2025;
2. Buyer’s Limited Liability Pass-through Agreement (BLPTA) between LS Power and CC Power members participating in the LDS Project for a term consistent with the ESSA;
3. Project Participation Share Agreement (PPSA) between CC Power and participating members to memorialize each member’s participation share, benefits, and obligations in the LDS Project for a term consistent with the ESSA; and
4. Coordinated Operating Agreement (COA) between CC Power and participating members to establish LDS Project operating requirements and governance structure for a term consistent with the ESSA.

BACKGROUND

Through the 2020 Integrated Resource Planning (IRP) proceeding the California Public Utilities Commission (CPUC) had identified the need for additional storage including longer-duration storage to enable grid integration of a large fleet of intermittent resources to meet California’s greenhouse gas emission reduction goals and to replace several natural gas once-through-cooling (OTC) resources and the Diablo Canyon Nuclear Power Plant (DCNPP) slated to retire between 2023 and 2025.

In October 2020, SVCE along with nine other community choice aggregators (CCAs) issued a request for offers (Joint LDS RFO) with the intent to procure cost effective LDS resource(s) to meet each CCA’s respective portfolio needs and in anticipation of potential procurement mandates by the CPUC. Subsequently, in June 2021, as part of the 2020 IRP the CPUC issued through a decision order (D.21-06-035) the Mid-term Reliability Procurement Order (“MTR Order”) requiring jurisdictional load serving entities (LSEs), such as SVCE, to procure and/or develop a collective 11,500 MW of new capacity by 2026. Included within the MTR Order is an identified need of 1,000 MW of LDS for which SVCE’s obligation is approximately 22 to 26 MW depending on the CPUC’s final determination of effective load carrying capacity (ELCC) factors for LDS resources.

Agenda Item: 4**Agenda Date: 11/17/2021**

Through the Joint LDS RFO, projects were evaluated, ranked, and selected for shortlisting with the objective of meeting the RFO's cost effectiveness goals and criteria and requirements under the MTR Order. Three projects were identified for consideration including LS Power's Tumbleweed.

In February 2021, CC Power was formed by ten CCAs, including SVCE, to share resources and risk related to the procurement of difficult to acquire resources. Once formed, CC Power took over the role of coordinating the negotiations resulting from the Joint LDS RFO and development of necessary agreements to effect the LDS Project. In addition to SVCE, six of the CC Power members have agreed to participate in the LDS Project including:

1. Clean Power San Francisco (CPSF)
2. Peninsula Clean Energy (PCE)
3. Redwood Coast Energy Authority (RCEA)
4. San Jose Clean Energy (SJCE)
5. Sonoma Clean Power Authority (SCPA)
6. Valley Clean Energy (VCE)

ANALYSIS & DISCUSSION

Staff will provide a presentation to the Executive Committee of the need for LDS, process undertaken to select the LDS Project, contracting structure, benefits and risks, and next steps which includes consideration of the agreements by CC Power's Board and SVCE's Board in December 2021.

The agreements are still in draft form and therefore not provided as attachments.

STRATEGIC PLAN

The Policy supports the goals of the Board adopted Strategic Plan. Specifically, the Policy strongly supports:

- Goal 5 - Acquire clean and reliable electricity in a cost effective, equitable and sustainable manner
- Goal 6 - Manage and optimize power supply resources to meet affordability, GHG reduction and reliability objectives

ALTERNATIVE

SVCE can decide to procure LDS resources on its own and not through CC Power. This alternative is not recommended as LDS resources are not considered cost-effective at this time and it is difficult to procure the exact amount required of SVCE via the MTR Order. Procuring on its own, may require SVCE to over-procure while participating through the LDS Project will allow SVCE to minimize the amount of capacity procured.

SVCE can chose not to abide by the MTR Order. Doing so would expose SVCE's ratepayers to significant cost in the form of "back-stop" procurement undertaken by Pacific Gas & Electric and imposed on SVCE's customers in addition to CPUC penalties imposed on SVCE.

FISCAL IMPACT

Ultimate execution of the agreements needed to effect the LDS Project will result in cost to SVCE starting in Fiscal Year 2024-25, which will be included in the budget at that time. Additional costs to administer the monitoring and implementation of the LDS Project agreements through CC Power are expected for FY 2021-22 and have been included in Operating Budget.

ATTACHMENTS

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



Staff Report – Item 5

Item 5: PCIA, PG&E Gen Rate, and Corresponding SVCE Margin Update

From: Girish Balachandran, CEO

Prepared by: Amrit Singh, CFO and Director of Administrative Services

Date: 11/17/2021

This item will be addressed in the form of a presentation to the Executive Committee from the CFO and Director of Administrative Services, Amrit Singh.

ATTACHMENTS

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