



Silicon Valley Clean Energy Authority

Board of Directors Meeting

Wednesday, October 12, 2022

7:00 pm

Cupertino Community Hall

10350 Torre Avenue

Cupertino, CA

Pursuant to State of California Gov't Code Section 54953 (e) the meeting was conducted via teleconference with an option for members of the Board of Directors and staff to participate in person.

MEETING MINUTES

Call to Order:

Chair Gibbons called the Regular Meeting to order at 7:01 p.m.

Roll Call

Present:

Liz Gibbons (Chair), Campbell
George Tyson (Vice Chair), Los Altos Hills
Jon Robert Willey, Cupertino
Zach Hilton, Gilroy
Neysa Fligor, Los Altos
Rob Rennie, Los Gatos
Evelyn Chua, Milpitas
Bryan Mekechuk, Monte Sereno
Yvonne Martinez Beltran, Morgan Hill (arrived during Item 3)
Margaret Abe-Koga, Mountain View
Tina Walia, Saratoga
Larry Klein, Sunnyvale
Otto Lee, Santa Clara County

Absent:

Chair Gibbons, Vice Chair Tyson, Alternate Director Mekechuk and Director Willey attended in person; all other Directors attended via teleconference.

Public Comment on Matters Not Listed on the Agenda

No speakers.

Consent Calendar

There were no questions or comments from the Board; there were no requests from the public to speak on any matter on the Consent Calendar.

1a) Approve Minutes of the September 14, 2022, Board of Directors Meeting

- 1b) Approve Minutes of the September 14, 2022, Board of Directors Special Meeting
- 1c) Receive August 2022 Treasurer Report
- 1d) Adopt Resolution Authorizing Public Meetings to Continue to Be Held Via Teleconferencing Pursuant to Government Code Section 54953(e) and Making Findings
- 1e) Adopt FY23 SVCE Strategic Work Plan
- 1f) Authorize the Chief Executive Officer to Negotiate and Enter into a New Engagement with Meyers | Nave for Legal Services
- 1g) Review and Approve Updates to SVCE Customer Confidentiality Policy
- 1h) Approve Audit Committee Membership of Three Members
- 1i) Receive Q3 2022 Decarbonization Strategy and Programs Roadmap Update
- 1j) Executive Committee Report
- 1k) Finance and Administration Committee Report
- 1l) Audit Committee Report
- 1m) Legislative and Regulatory Response to Industry Transition 2022 Ad Hoc Committee Report
- 1n) California Community Power Report

MOTION: Vice Chair Tyson moved and Alternate Director Mekechuk seconded the motion to approve the Consent Calendar, Items 1a through 1n.

The motion carried unanimously by verbal roll call vote with Director Martinez Beltran absent.

Regular Calendar

2) CEO Report (Discussion)

CEO Girish Balachandran addressed the following in his CEO report:

- Introduction of new Director of Energy Services and Community Relations Adam Selvin, who provided brief welcome comments;
- Reintroduction of Don Bray, transitioning to a different role with SVCE as Director of Strategic Development, who provided brief comments.

Board members welcomed Director of Energy Services and Community Relations Selvin and congratulated Director of Strategic Development Bray.

3) Approve SVCE 2022 Integrated Resource Plan (Action)

Director Martinez Beltran joined the meeting during Item 3.

Maren Wenzel, Senior Manager of Energy Policy and Regulatory Analysis, presented a PowerPoint presentation on SVCE's 2022 Integrated Resource Plan. The presentation included background, core goals of SVCE, portfolio results, key themes for the narrative, and staff's proposal of adoption of 100% CF/65% RPS case.

Senior Manager of Energy Policy and Regulatory Analysis Wenzel outlined staff's request for approval:

- File the 100% CF/65% RPS by 2030 plan as its Preferred Conforming Plan;
- File the 100% CF/ 75% RPS by 2030 plan and 100% CF/ 100% RPS by 2035 plan as Conforming Plans;
- In the narrative staff will highlight:
 - Portfolios are illustrative and may not be realized

- CPUC must vet the “IRP compliance” proposal fully with stakeholder input before holding LSEs to their IRP filings
- Delegate authority of the CEO to provide final approval of the 2022 SVCE IRP to be filed on November 1st, 2022.

It was noted SVCE would provide board members a copy of the final IRP once prepared.

Senior Manager of Energy Policy and Regulatory Analysis Wenzel responded to board member questions.

Chair Gibbons opened Public Comment.

Bruce Karney thanked staff for the analysis and asked two questions related to 1) Diablo Canyon and 2) the possibility of a carbon tax, carbon fee and dividend.

Chair Gibbons closed Public Comment.

Senior Manager of Energy Policy and Regulatory Analysis Wenzel responded to Mr. Karney’s inquiries.

MOTION: Alternate Director Mekechuk moved and Director Willey seconded the motion to delegate authority to the Chief Executive Officer to provide final approval of the 2022 IRP to be filed on November 1, 2022.

The motion carried unanimously by verbal roll call vote.

4) Authorize the Chief Executive Officer to Approve or Execute Agreements with Firms Providing Services to Initiate SVCE to Execute Its Second Prepay (Action)

Amrit Singh, CFO and Director of Administrative Services, introduced the item and presented a PowerPoint presentation which addressed an overview of the request to authorize agreements to initiate the second prepay transaction, information on leveraging the first prepay structure and fiscal impact of the second prepay, and next steps.

CFO and Director of Administrative Services Singh provided the proposed firms and costs for the second prepay, noting staff was requesting approval for \$1,000,000 to allow for a 10% contingency that may be needed:

Firms	Role	First Prepay Cost	Proposed Cost for the Second Prepay
Public Financial Management (PFM)	Municipal Advisor: Advises prepay buyer in negotiations; required by Municipal Securities Rulemaking Board (MSRB)	\$250,000	\$175,000
Chapman & Cutler	Disclosure and Issuer’s Counsel: Provides legal counsel and prepares official statement and prospectus	\$310,000	\$200,000
Ballard Spahr*	Bond and Tax Counsel: Represent bondholders and provide tax opinion on the transaction	\$425,000*	\$300,000
Moody’s Investor Service Inc	Rating Agency: Provides the credit rating for the bonds	\$315,000	\$230,000
Total		\$1,300,000	\$905,000

** For the first Prepay, SVCE worked with Orrick, Herrington & Sutcliffe as the bond and tax counsel at a higher cost of \$425,000.*

CFO and Director of Administrative Services Singh responded to questions from board members regarding the anticipated lower costs of the second prepay and economic uncertainty.

Chair Gibbons opened Public Comment.
No speakers.
Chair Gibbons closed Public Comment.

MOTION: Director Chua moved and Director Klein seconded the motion to adopt Resolution 2022-23 to authorize the Chief Executive Officer to approve or execute agreements with firms providing services to initiate SVCE to execute the second prepay transaction.

Board Clerk Andrea Pizano clarified with the maker of the motion and seconder that the motion would also include approving engagement with Morgan Stanley as the Prepay Supplier; Director Chua and Director Klein concurred.

Director Chua added approval of the total cost requested for the agreements with firms providing services in the amount of \$1,000,000.

The motion carried unanimously by verbal roll call vote.

5) Updating SVCE's Investment Policy and Directing PFM Asset Management to Implement full Scope of work as SVCE's Investment Advisor (Action)

Amrit Singh, CFO and Director of Administrative Services, introduced the item and Monique Spyke of PFM Asset Management (PFMAM); both presented PowerPoint presentations on the item.

The objective and timeline, cashflow analysis, investment policy revision and investment recommendations, and next steps were included in the presentations.

Ms. Spyke responded to a question from Vice Chair Tyson regarding municipal bonds; Chair Gibbons confirmed the work performed by PFMAM to date had not yet had a cost to SVCE, the contracts incorporated had been reviewed by legal counsel, and that our audit reviewers or financial consultants had reviewed the contracts as well. CFO Singh noted the contracts had been reviewed by legal counsel and would be incorporated into SVCE's regular auditing procedures.

Chair Gibbons opened Public Comment.
No speakers.
Chair Gibbons closed Public Comment.

MOTION: Director Fligor moved and Vice Chair Tyson seconded the motion to adopt Resolution 2022-24 to revise SVCE's investment policy and to direct PFM Asset Management to implement the full scope of work as SVCE's Investment Advisor, Adopt Resolution 2022-25 to join as Shareholder of the California Asset Management Trust, and Adopt Resolution 2022-26 to join the State's Local Agency Investment Fund.

The motion carried unanimously by verbal roll call vote.

6) New Construction Reach Code Update (Presentation)

Anthony Eulo, Senior Manager of Public Sector Services, presented a PowerPoint presentation providing a status update on reach code efforts.

Board members shared their thanks to staff for assisting in the reach codes process.

Chair Gibbons opened Public Comment.
No speakers.
Chair Gibbons closed Public Comment.

Board Member Announcements and Future Agenda Items

Director Fligor announced the City of Los Altos welcomed a new Sustainability Coordinator and was hopeful they could step in with leading the reach codes process.

Director Lee announced the annual Day on the Bay event occurred October 8, 2022 and thanked SVCE for sponsoring the event with a solar stage.

Director Klein announced the City of Sunnyvale received the Silicon Valley Business Journal's 2022 Best Public City Project for the City of Sunnyvale's new city hall and noted it will be the first Net Zero Energy LEED platinum city hall in the U.S., and thanked SVCE for grant funds in helping to make it possible.

Chair Gibbons announced and recommended a webinar she attended on a report from Next 10 and the Energy Institute at the UC Berkeley Haas School of Business, *"Paying for Electricity in California: How Residential Rate Design Impacts Equity and Electrification."* Chair Gibbons encouraged board members to get on the mailing list for future webinars hosted by the Energy Institute at the UC Berkeley Haas School of Business as they are informative presentations.

Public Comment on Closed Session

No speakers.

Chair Gibbons announced the Board of Directors would meet in Closed Session at 8:54 p.m.

Convene to Closed Session

Conference with Legal Counsel – Anticipated Litigation

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: (one potential case)

The Board of Directors returned from Closed Session at 9:22 p.m.

Board Clerk Andrea Pizano confirmed a quorum of the Board of Directors was present.

Report from Closed Session

Chair Gibbons announced there was nothing to report.

Adjourn

Chair Gibbons adjourned the meeting at 9:23 p.m.

ATTEST:

DocuSigned by:

Andrea Pizano

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Andrea Pizano, Board Secretary