



Silicon Valley Clean Energy Executive Committee Meeting

Friday, May 24, 2024
10:00 am

Tina Walia, 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

Morgan Hill City Hall
17575 Peak Ave.
Morgan Hill, CA 95037

Teleconference Meeting Information:

<https://svcleanenergy-org.zoom.us/j/81283206278>

Telephone (Audio only):

US: +1 669 219 2599

Webinar ID: 812 8320 6278

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

svcleanenergy.org

333 W El Camino Real
Suite 330
Sunnyvale, CA 94087

Public Comment on Matters Not Listed on the Agenda

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

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.

Consent Calendar (Action)

- 1) Approve Minutes of the April 26, 2024, Executive Committee Meeting

Regular Calendar

- 2) CEO Update (Discussion)
- 3) Authorize Payments for the California Community Choice Association and California Community Power Membership Costs (Action)
- 4) 2025 Clean Power Supply Recommendation Offerings (Action)
- 5) Intro to 2025 Strategic Plan (Discussion)
- 6) Program Snapshot: Community Energy Resilience Program (Information Only)

Committee/Staff Remarks

Adjourn

svcleanenergy.org

333 W El Camino Real
Suite 330
Sunnyvale, CA 94087



**Silicon Valley Clean Energy
Executive Committee Meeting**

Friday, April 26, 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 10:07 a.m.

Roll Call

Present:

Chair Larry Klein, City of Sunnyvale
Vice Chair Bryan Mekechuk, City of Monte Sereno (arrived at 10:09 a.m.)
Director George Tyson, Town of Los Altos Hills
Director Tina Walia, City of Saratoga

Absent:

Director Sally Meadows, City of Los Altos
Director Yvonne Martinez Beltran, City of Morgan Hill

Public Comment on Matters Not Listed on the Agenda

No speakers.

Following Public Comment, the Committee heard Item 2) CEO Report as a quorum was not yet present.

Consent Calendar

This item was considered following Item 3.

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

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

The motion carried unanimously with Directors Martinez Beltran and Meadows absent.

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



Regular Calendar

2) CEO Update (Discussion)

CEO Monica Padilla provided a CEO update which included:

- A thank you to attendees of the 2024 CalCCA Annual Conference and topics that were addressed at the conference (specifically regionalization);
- An announcement that SVCE's Go Electric Advisor is live;
- An update from Bena Chang, Director of Government and Legislative Affairs, on the Income Graduated Fixed Charge; and
- An update from Zoe Elizabeth, Deputy Director of Decarbonization Programs and Policy, on reach codes and actions some member agencies have taken in response to the Ninth Circuit's Ruling on the Berkeley gas ban.

Chair Klein opened public comment.

No speakers.

Chair Klein closed public comment.

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)**

Kris Van Vactor, Director of Power Resources, presented the item with a request of the Executive Committee to recommend the SVCE Board of Directors authorize the Chief Executive Officer to execute a long form resource adequacy (RA) agreement with High Desert Power Project, LLC for the following:

- 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 capacity from natural gas.

Director of Power Resources Van Vactor noted this item would be coming to the Board of Directors for approval because the 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.

Staff responded to committee member questions. Following discussion, the Committee was in consensus to include the item on the May Board meeting Consent Calendar, so long as the following discussion items were addressed in the minutes of the current meeting and in the staff report for the May Board of Directors meeting:

- The proportion of natural gas in SVCE's RA portfolio over time: It was noted that this proportion is trending downwards, but will never reach zero, due to the role natural gas in ensuring reliability. When SVCE first launched, nearly 100 percent of its RA portfolio was comprised of natural gas resources. Today, this proportion is about 70 percent. By 2027, when this MRP RA Agreement would begin, the proportion of natural gas would fall to about 35 percent, inclusive of this proposed agreement.
- The agreement requires board approval because the term extends one year beyond the five years for which the CEO has authority to execute. There is no need to change this execution authority at this time, because similar transactions are expected to be infrequent.
- The impact of Slice of Day RA on SVCE's existing contracts: while Slice of Day will change the value of RA for SVCE's existing contracts, SVCE is well positioned for compliance under the new RA framework.



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

MOTION: Director Tyson moved and Director Walia seconded the motion to recommend the SVCE Board of Directors authorize the CEO to execute a long form resource adequacy agreement with High Desert Power Project, LLC.

The motion carried with Directors Martinez Beltran and Meadows absent.

Following Item 3, the Committee considered the Consent Calendar.

4) Proposal for the Hanford Hybrid Plant Emissions Mitigation Guidelines (Discussion)

Following the vote on the Consent Calendar, the Committee considered Item 4.

CEO Padilla introduced the item and Citlalli Sandoval, Senior Regulatory Advisor, presented a preliminary proposal for the Hanford Hybrid Plant Emissions Mitigation guidelines for input and feedback. The presentation included the following:

- Objective and background on the proposal, which was a result of the adoption of Resolution 2023-06 in 2023 approving a 12-year power purchase agreement with Middle River Power for energy and reliability products from its Hanford Hybrid Natural Gas Power Plant and Battery Energy Storage System, with a requirement for staff to develop a policy and/or guidelines to set aside funds to be used for programs and/or projects to help mitigate emissions associated with energy produced by the Hanford Hybrid Plant;
- Location of the Hanford Hybrid Plant;
- Information on the Hanford Hybrid Plant;
- Information on the Hanford Hybrid Plant's Emissions;
- Review of the proposal;
- Option for stakeholder input; and
- Conclusion

Staff responded to committee member questions and comments regarding the Hanford Hybrid Plant, preliminary program information, potential partners in Kings County, and the funding range.

Executive Committee members recommended including a requirement for feedback from the Kings County community be gathered and updates on the disbursements be added to the Guidelines prior to the request for approval at the May Board of Directors meeting.

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

5) Program Snapshot: Priority Zone DC Fast Charging 2.0 Program Update (Information Only)

Nupur Hiremath, Manager of Decarbonization Programs and Policy, introduced the item and Hannah Gustafson, Senior Programs Specialist, presented information on the Priority Zone DC Fast Charging 2.0 program, which incentivizes fast charging in high-priority multifamily zones across SVCE's territory.



Staff responded to committee member questions regarding the program; Chair Klein requested a CARE/FERA customer population map to get a better sense of the needs of the communities.

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

Committee/Staff Remarks

Director Walia commented on the benefits of attending the CalCCA annual conference and acknowledged SVCE staff's participation in the conference; Director Walia noted the Community Impact Award SVCE received would be brought to the Board of Directors meeting in May; Vice Chair Mekechuk echoed Director Walia's comments.

Chair Klein thanked SVCE staff for their participation in the City of Sunnyvale's Earth Day event; Director Walia also thanked staff for their work on various Earth Day events.

Vice Chair Mekechuk commented on his attendance at the City of Sunnyvale's Earth Day event.

Adjournment

Chair Klein adjourned the meeting at 11:28 a.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: 5/24/2024

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



Staff Report – Item 3

Item 3: Authorize Payments for the California Community Choice Association and California Community Power Membership Costs

From: Monica Padilla, CEO

Prepared by: Zak Liske, Deputy Director of Power Resources
Michael Callahan, General Counsel

Date: 5/24/2024

RECOMMENDATION

Staff requests the Executive Committee recommends the Board of Directors authorize payments in the amount of:

- (1) \$460,000 to the California Community Choice Association (“CalCCA”) for fiscal year (FY) ending 2025 and approve and ratify all such payments made for previous fiscal years; and
- (2) \$712,149 to California Community Power (“CC Power”) for FY ending 2025 and approve and ratify all such payments made for previous fiscal years.

BACKGROUND

To advance its mission to reduce dependence on fossil fuels by providing carbon-free, affordable and reliable electricity and innovative programs for the community, SVCE has joined two membership organizations: (1) CalCCA in January 2017; and (2) CC Power in January 2021. CalCCA is the Community Choice Aggregator (“CCA”) trade association in California. It facilitates cooperation among CCAs and advocates on behalf of CCAs before legislatures and regulatory bodies. CC Power is a Joint Powers Authority established for joint procurement of electricity resources by CCAs. SVCE has four active projects that were jointly procured through CC Power, primarily to meet requirements with the California Public Utilities Commission’s Mid-Term Reliability Procurement Order.

The SVCE Board of Directors authorized SVCE’s membership in both organizations.¹ The memberships the Board approved require members to pay their share of costs.² CalCCA generally has fixed membership costs that apply equally to all members. CC Power membership costs include a general and administrative component that applies equally to all members and a project-specific component for members participating in various projects.

When SVCE first joined the two agencies, staff received authorization from the SVCE Board of Directors for sufficient budgets to cover SVCE’s portion of the operating and membership costs for CalCCA and CC Power. When the Board approved participation in CC Power projects, staff also received funding authorization specific to the projects. While Board-adopted operating budgets have accounted for the agencies’ membership costs, staff have not sought specific Board authority to make payments for on-going annual membership costs. Such expenses have been in excess of the CEO’s purchasing authority of \$100,000 per fiscal year. Staff will seek specific authority for those membership costs on a going-forward basis.

¹ See *i.e.* SVCE Board of Directors, [Agenda Item 6 \(Authorize CEO to Approve Membership of CalCCA\), October 12, 2016](#); SVCE Board of Directors, [Agenda Item 5 \(Approve Participation in California Community Joint Powers Authority\), December 9, 2020](#).

² See *i.e.* Article VI (Membership Dues), CalCCA Bylaws; Section 3.03 (Cost Allocations), CC Power Joint Powers Authority Agreement.

ANALYSIS & DISCUSSION

The staff recommendation includes approving payments for CalCCA and CC Power for membership costs. These costs are described below for each organization.

CalCCA Budget

CalCCA's membership costs consist primarily of staff, consultant fees, and administrative costs. CalCCA's operates on a July through June fiscal year basis. The FY 2025 budget is largely consistent with the FY 2024 budget. The FY 2024 budget increased relative to previous years with the addition of staff to engage on distribution grid and distributed energy resource issues. The budget payments for each fiscal year dating to SVCE's first year as a member are provided below. CalCCA requires equal quarterly payments with the next one at \$115,000 due in July 2024 for FY 2025.

Table 1: CalCCA Budget Payments by FY Ending

Fiscal Year*	Budget Payments
2025	\$460,000
2024	\$436,841
2023	\$415,177
2022	\$401,492
2021	\$348,961
2020	\$330,000
2019	\$327,500
2018	\$325,000

*Based on CalCCA's fiscal year, which is July 1 – June 30

Going forward, CalCCA's budget is expected to increase as the agency continues to add staff to support added complexity around regulatory and legislative efforts.

CC Power Budget

CC Power's membership costs consist primarily of staff, consultant fees, and administrative costs. These costs fall into two broad categories: (1) general and administrative costs; and (2) project participation costs. Support of these projects requires costs associated with general administration, legal and technical support.

To date, the SVCE Board has authorized participation in CC Power projects, including:

- (1) Tumbleweed Long Duration Energy Storage Project approved by the Board at the February 9, 2022 meeting;
- (2) Goal Line Long Duration Storage Project approved by the Board at the March 9, 2022 meeting;
- (3) Ormat Nevada Inc. Portfolio of Geothermal Projects approved by the Board at the June 8, 2022 meeting; and
- (4) Open Mountain Energy LLC., Fish Lake Geothermal Project approved by the Board at the June 8, 2022 meeting.

The FY 2025 budget is proposed to increase significantly by \$413,695 associated with expanding CC Power's analytical capabilities to evaluate new opportunities that may be of interest to members as well as funding for various strategic initiatives at different project stages. SVCE will have an opportunity to receive a significant portion of this increase as a refund if SVCE subsequently chooses not to participate in the new opportunities.

The projected budget payments for each fiscal year dating to SVCE's first year as a member are provided below.

Agenda Item: 3**Agenda Date: 5/24/2024**

Table 2: CC Power Budget Payments by FY Ending

Fiscal Year*	Budget Payments	General and Administrative	Project Participation
2025	\$712,149	\$136,464	\$575,685
2024	\$298,454	\$84,338	\$210,053
2023	\$107,048	\$51,026	\$56,022
2022	\$96,578	\$25,338	\$71,241
2021	\$56,098	\$47,173	\$8,925

*Based on CC Power's fiscal years, which is July 1 – June 30

Going forward, CC Power's budget is expected to remain consistent with FY 2025 which assumes CC Power is able to implement its strategic directives.

ALTERNATIVES

The Board may elect not to approve the FY 2025 budget for one or both agencies. However, the full extent of the impact from the Board electing to not ratify past budget payments for one or both agencies is unclear. To preserve SVCE's membership in both organizations and the benefits conferred thereunder, staff recommends against this alternative.

Not funding CalCCA membership may require that SVCE withdraw from CalCCA and SVCE would have to add additional staff and/or consultants to provide the legislative and regulatory work currently performed by CalCCA staff. This alternative is not recommended due to impacts on current operations.

Not funding CC Power membership may require SVCE to withdraw from CC Power. SVCE needs to approve funding for CC Power to remain in the four projects noted above. These resources are needed for compliance under the California Public Utilities Commission's procurement orders. SVCE could also seek to fund only that portion of the CC Power budget which corresponds to general administration and direct costs associated with the four projects the Board has approved. However, this would require the CC Power board to allow elective funding level as an option, which it has not thus far.

STRATEGIC IMPACT

Participation at CalCCA supports the FY 2024 Strategic Plan, Goal 9: Advocate for policies that protect CCA customer investments and further decarbonization, grid reliability, affordability, and social equity with federal and state elected officials and regulators.

Participation at CC Power supports the FY 2024 Strategic Plan, Goal 7: Acquire clean and reliable electricity in a cost effective, equitable and sustainable manner.

FISCAL IMPACT

The fiscal impact of approving the FY 2025 budget payments for CalCCA and CC Power will be \$1,172,149. These payments will happen between July 1, 2024 and June 30, 2024. SVCE's FY 2024 Board approved operating budget is sufficient to cover the payments through September 30, 2024. SVCE's proposed operating budget for FY 2025, will include sufficient funds to cover remaining expenses for both agencies. Further, authorizing and ratifying the prior budget payments will have no fiscal impact because those payments have been made and were within SVCE's overall approved budgets in prior fiscal years.



Staff Report – Item 4

Item 4: 2025 Clean Power Supply Recommendation Offerings

From: Monica Padilla, CEO

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

Date: 5/24/2024

This item is a request for the Executive Committee’s support to recommend the SVCE Board of Directors approve staff’s proposed 2025 Clean Power Supply offering.

ATTACHMENT

The presentation for this item will be posted to the SVCE website.



Staff Report – Item 5

Item 5: Intro to 2025 Strategic Plan

From: Monica Padilla, CEO

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

Date: 5/24/2024

As in previous years, staff is in the process of an annual review to update SVCE’s Strategic Plan and Strategic Focus areas. The draft timeline for the 2025 Strategic Plan and Strategic Focus areas follows:

- May 24, 2024, Executive Committee: Intro to 2025 Strategic Plan (Discussion)
- June 12, 2024, Board of Directors Meeting: SVCE Strategic Plan FY 25 Update (Discussion)
- August 23, 2024, Executive Committee: Strategic Focus Areas Update (Discussion)
- September 11, 2024, Board of Directors Meeting: Update on Strategic Plan and Adopt FY25 SVCE Strategic Focus Areas (Action)

ATTACHMENT

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



Staff Report – Item 6

Item 6: Program Snapshot: Community Energy Resilience Program

From: Monica Padilla, CEO

Prepared by: Jessica Cornejo, Senior Programs Specialist

Date: 5/24/2024

This item will be addressed in the form of a presentation to the Executive Committee providing a snapshot overview of the Community Energy Resilience Program.

ATTACHMENT

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