



**Silicon Valley Clean Energy Authority**

**Board of Directors Meeting**

Wednesday, April 12, 2023

7:00 pm

Cupertino Community Hall  
10350 Torre Avenue  
Cupertino, CA

Administrative Conference Room, Gilroy City Hall  
7351 Rosanna St.  
Gilroy, CA 95020

929 Coventry Way  
Milpitas, CA 95035

Wasa Park Hotel  
1 Sankt Eriksplan, 113 20,  
Stockholm, Sweden

**MEETING MINUTES**

**Call to Order:**

Chair Tyson called the meeting to order at 7:01 p.m.

**Roll Call**

**Present:**

George Tyson (Chair), Los Altos Hills  
Tina Walia (Vice Chair), Saratoga  
Sheila Mohan, Cupertino  
Zachary Hilton, Gilroy (Participated via teleconference)  
Sally Meadows, Los Altos  
Rob Rennie, Los Gatos  
Evelyn Chua, Milpitas (Participated via teleconference)  
Bryan Mekechuk, Monte Sereno  
Tanya Carothers, Morgan Hill  
Margaret Abe-Koga, Mountain View  
Murali Srinivasan, Sunnyvale  
Otto Lee, Santa Clara County

**Absent:**

Elliot Scozzola, Campbell

**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 March 8, 2023, Board of Directors Meeting
- 1b) Receive February 2023 Treasurer Report
- 1c) Review Operating Rules and Regulations Amendment to Expand Executive Committee Membership to Up to Six Board Members
- 1d) Authorize the Chief Executive Officer to Execute an Amended and Restated PPA for a Previously Executed Distributed Energy Storage Agreement for Resilience and Capacity with Sunrun Inc. in an Amount Not to Exceed \$7,400,000 and for a Modified Term from January 1, 2024 through December 31, 2034
- 1e) Adopt Resolution to Approve SVCE's Amended Files and Records Management Policy and Authorize the Chief Executive Officer to Make Future Updates to the Policy and Records Retention Periods in Consultation with General Counsel
- 1f) Receive Q1 2023 Decarbonization Programs Update
- 1g) Authorize the Chief Executive Officer to Execute Amendment to Agreement with Pisent & Brinker, LLP for Financial Audit Services
- 1h) Executive Committee Report
- 1i) Legislative Response to Industry Transition 2023 Ad Hoc Committee Report
- 1j) California Community Power Report
- 1k) Additional Committee Reports

**MOTION: Director Mekechuk moved and Director Lee seconded the motion to approve the Consent Calendar, Items 1a through 1k.**

**The motion carried by verbal roll call vote with Director Scozzola absent.**

## **Regular Calendar**

### **2) CEO Report (Discussion)**

CEO Girish Balachandran addressed the following topics in his report:

- 1) Introduction of SVCE's five newest employees:  
Jessica Feng, Power Resources Planner,  
Alex Krause, Senior Quantitative Analyst,  
Leanna Huynh, Senior Programs Specialist,  
Eric Rodriguez, Programs Lead, and  
Kaley Dodson, Energy Services Specialist

All provided brief welcome comments; Chair Tyson welcomed the new employees on behalf of the Board.

- 2) A brief update on anticipated penalties, noting that the Board would be informed when received;
- 3) Information on the Governor's change proposal through a budget trailer bill, and
- 4) Provided an invitation to board members to join staff for dinner following an upcoming in-person retreat.

Senior Communications Manager Pamela Leonard provided an update on upcoming Earth Day activities.

Chair Tyson opened Public Comment.  
No speakers.

Chair Tyson closed Public Comment.

**3) Delegate Authority to the Chief Executive Officer to Execute Power Purchase Agreement for Biomass Project Rio Bravo Fresno (Action)**

Monica Padilla, COO and Director of Power Resources and Charles Grinstead, Senior Manager of Power Resources provided a presentation with a request for the Board of Directors to delegate authority to the CEO to execute a short-term power purchase agreement with Rio Bravo Fresno Biomass energy, with the following parameters:

Capacity: 25 megawatts  
Est. Annual Generation: 175,000 MWhs  
Price: fixed dollar per megawatt hour  
Term: 2.75 years, May 1, 2023 through December 31, 2025  
Not-to-exceed dollar amount: \$60,000,000

Staff provided background information on the resource; Board members provided comments on the project's contribution to SVCE's resource adequacy and the efficient burning of the biomass.

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

**MOTION: Director Chua moved and Director Mekechuk seconded the motion to authorize the CEO to execute a power purchase agreement for the Rio Bravo Fresno renewable biomass project.**

**The motion carried by verbal roll call vote with Director Scozzola absent.**

**4) Adopt Resolution Authorizing the Chief Executive Officer to Finalize Negotiations and Execute Power Purchase Agreement with Middle River Power for the Hanford Hybrid Natural Gas Power Plant and Battery Energy Storage System; Allowing for an Exception to the Board-adopted Energy Risk Management Policy; and Directing Staff to Return with a Policy and Guidelines for Establishing a Fund to Mitigate the Impacts of Emissions Associated with the Hanford PPA (Action)**

CEO Balachandran introduced the item. COO and Director of Power Resources Padilla and Senior Manager of Power Resources Grinstead provided a presentation which included background information on California's Clean Goals, Reliability Challenges and Requirements; SVCE's Energy and Capacity Portfolio, Procurement and Progress efforts; information on Middle River Power's Hanford Hybrid Natural Gas Power Plant with Battery Storage System; and an overview of the recommendation.

Staff responded to board member questions regarding similar existing projects, natural gas use and cost, battery storage, an emissions mitigation fund, resource adequacy capacity, emissions reductions, and project location.

Chair Tyson opened Public Comment.  
Eric Muller, SVCE customer, commented on the difficult decisions that will need to be made and the importance of educating the community.

Chair Tyson closed Public Comment.

**MOTION: Director Lee moved and Director Abe-Koga seconded the motion to adopt Resolution 2023-06 which provides for the following:**

- 1. Delegates authority to the Chief Executive Officer (CEO) to finalize negotiations and execute a Power Purchase Agreement (PPA) with Middle River Power, or its affiliate MRP Pacifica Marketing LLC, for Resource Adequacy with Dispatchable Energy from its Hanford Hybrid Natural Gas Power Plant and Battery Energy Storage System ("Hanford")**

for a term not to exceed twelve years and in an amount not to exceed \$280,000,000 over the life of the PPA with the following parameters:

- a. **Resource Adequacy (RA) capacity from existing Hanford Natural Gas Power Plant of 99.4 megawatts (MW)**
- b. **Additional RA capacity from a new Battery Energy Storage System (BESS) of 16 MW sited adjacent to Hanford with an expected 13.97 MW to count towards the Mid-term Reliability Procurement Order and with expected commercial on-line date of April 1, 2024 date and delivery through April 30, 2036.**
- c. **Dispatchable energy from the Natural Gas Peaker Power Plant subject to operating constraints and to meet demand under certain market and grid conditions;**

**2. Provides for an exception to the Board-approved Energy Risk Management Policy to allow for procurement of natural gas to manage risk associated with the Natural Gas Peaker Plant Toll portion of the Hanford project, if necessary, and**

**3. Directs staff to develop a policy and/or guidelines to set aside funds to be used for programs and/or projects to mitigate emissions associated with energy produced by the Hanford project resulting from the Hanford PPA and return to the Board by the December 2023 Board meeting with a recommendation.**

The motion carried by verbal roll call vote with Director Scozzola absent.

**5) Adopt Resolution to Update Design of SVCE's E-ELEC Generation Rate Discount (Action)**

Adam Selvin, Director of Energy Services and Community Relations, and Peter Mustacich, Energy Services Lead, provided a presentation which included: background information on SVCE's electrification discount; information on the E-ELEC rate and E-ELEC discount timeline; various discount approaches; evaluation of different customer profiles; Executive Committee feedback on the proposed E-ELEC design discount in phases; and a request to approve a design update to the E-ELEC discount to a "TOU Super" design structure.

Staff responded to board member questions regarding data analysis from the first phase of enrolled customers, timing on when the discount would take effect, if time-of-use currently exists on other plans, incentivizing customers, information on the pilot program, and the proposed design structure.

CEO Balachandran reiterated that the rate is voluntary and opt-in.

Board members provided comments on the design structure.

Chair Tyson opened Public Comment.

No speakers.

Chair Tyson closed Public Comment.

**MOTION: Director Mekechuk moved and Director Meadows seconded the motion to adopt Resolution 2023-07 to update the E-ELEC discount to reflect the "TOU Super" design structure to establish generation rates 30% lower than PG&E's generation rates during Off-Peak summer and winter time-of-use periods, 10% higher than PG&E's generation rates during Peak summer and winter time-of-use periods, and with no deviation (0%) from PG&E's generation rates during Partial-Peak summer and winter time-of-use periods.**

The motion carried by verbal roll call vote with Director Scozzola absent.

**Board Member Announcements and Future Agenda Items**

Director Meadows announced the City of Los Altos adopted reach codes as recommended by The City of Los Altos' Environmental Commission after being sent to the California Energy Commission.

Director Abe-Koga announced the Bay Area Air Quality Management District Board adopted amendments to Rule 9-4 and 9-6 at their March meeting that will ban the replacement of gas appliances starting in 2027. Director Abe-Koga noted the district would be conducting a study to be completed two years prior to the start of the ban.

Director Chua announced the City of Milpitas will be celebrating Earth Day Saturday, April 22, 2023, from 10am to noon.

**Public Comment on Closed Session**

No speakers.

The Board of Directors convened to Closed Session at 8:37 p.m.

**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 reconvened from Closed Session at 9:06 p.m.

**Report from Closed Session**

Chair Tyson announced there was nothing to report.

**Adjourn**

Chair Tyson adjourned the meeting at 9:06 p.m.

**ATTEST:**

DocuSigned by:

*Andrea Pizano*

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Andrea Pizano, Board Secretary