



Silicon Valley Clean Energy Authority

Board of Directors Meeting

Wednesday, June 12, 2024

7:00 pm

Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

Milpitas Police Department
1275 N. Milpitas Blvd
Milpitas, CA

2302 Zanker Road
San Jose, CA

TownePlace Suites Sacramento Rancho Cordova
11212 Point East Drive
Rancho Cordova, CA

2352 Middlefield Rd.
Markham, ON L3S 4T6
Canada

Villanueva 547
M5507 Lujan de Cuyo
Mendoza, Argentina

MEETING MINUTES

Call to Order:

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

Roll Call

Present:

Tina Walia (Chair), Saratoga
George Tyson (Vice Chair), Los Altos Hills
Elliot Scozzola, Campbell
Sheila Mohan, Cupertino
Rebeca Armendariz, Gilroy (participated remotely)
Sally Meadows, Los Altos
Rob Rennie, Los Gatos
Evelyn Chua, Milpitas (participated remotely, arrived at 7:12 p.m.)
Bryan Mekechuk, Monte Sereno (participated remotely)
Tanya Carothers, Morgan Hill (participated through 8:50 p.m.)
Yvonne Martinez Beltran, Morgan Hill (arrived at 8:50 p.m.)
Pat Showalter, Mountain View (participated remotely, arrived at 7:05 p.m.)
Larry Klein, Sunnyvale
Otto Lee, Santa Clara County (participated remotely)

Absent:
None.

Public Comment on Matters Not Listed on the Agenda

John McKenna commented on a recent webinar, Code Red for Humanity: Clean Air, Healthy Bay Area held on May 9, 2024, which was recorded and is available on Acterra's website (acterra.org/advocacy/code-red), and spotlighted a document created by SPUR and their partners in the Bay Area Clean Coalition titled "A Toolbox for Transitioning to Zero-Pollution Equipment".

Chuck R. commented on CCA support for regional adoption of an alternative form of local municipalization, similar to San Jose, across the Silicon Valley Clean Energy service territory.

Following the Public Comment period on non-agendized items, Chair Walia announced Item 4) *Results of Stress Test Analyses*, and Item 5) *FY 24-25 Budget Framework*, would be heard before Item 3) *Consider Staff's Recommendation to Modify 2025 Clean Power Supply Offering for GreenStart* due to the content of the items; there were no objections from the Board.

Consent Calendar

Chair Walia opened Public Comment.

Mike Balma, Carbon Free Mountain View board member, commented on Item 1g) *Approve July 2024 Rates Update in Alignment with SVCE's 4% Budgeted Discount Rate for All Retail Rates* and the 4% discount for customers, noting SVCE may have gone too far in providing discounts if SVCE cannot afford to be clean anymore.

Chair Walia closed Public Comment.

- 1a) Approve Minutes of the May 8, 2024, Board of Directors Meeting
- 1b) Receive April 2024 Treasurer Report
- 1c) Authorize Payments Totaling \$3,054,971 for the California Community Choice Association and \$1,270,327 for California Community Power Membership Costs
- 1d) Authorize the Chief Executive Officer to Execute a Third Amendment to the Peninsula Clean Energy Cost Share Agreement to Extend the Term Through December 31, 2026 and Increase SVCE's Amount to \$1,090,000 for Technical Support for the Reach Code Program
- 1e) Authorize the Chief Executive Officer to Negotiate and Execute a Memorandum of Agreement for an EPA Climate Pollution Reduction Grant
- 1f) Authorize the Chief Executive Officer to Amend Agreement with Power MC LLC to Increase the Not to Exceed Amount by \$121,613 to \$545,797 for Business Process Optimization Project Consulting Services
- 1g) Approve July 2024 Rates Update in Alignment with SVCE's 4% Budgeted Discount Rate for All Retail Rates
- 1h) Executive Committee Report
- 1i) Finance and Administration Committee Report
- 1j) California Community Power Report
- 1k) Additional Committee Reports

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

The motion carried with Alternate Director Armendariz absent.

Regular Calendar

2) CEO Report (Informational)

CEO Monica Padilla reported the following:

- 1) Introductions of the following new employees, who provided brief welcome comments:
 - a. Simon Steiner, Wholesale Energy Market Planner
 - b. Colton Heath, Energy Trading Planner
 - c. Rebecca Dawson, Decarbonization Data Analyst Intern
 - d. Scott Wrigglesworth, Director of Risk Management and Analytics
- 2) Julianne Miller, Climate Corps Fellow, provided information on the SVCE Education Fund and the EmPower Silicon Valley student short-film competition. A winning submission video was shown;
- 3) SVCE received the Climate Bond Award with the California Community Choice Financing Authority (CCCFA) for Largest US Green Municipal Issuer of 2023; and
- 4) SVCE's participation in Climate Night with the San Jose Giants on 6/13/24.

Chair Walia opened Public Comment.

No speakers.

Chair Walia closed Public Comment.

Following the CEO Report, the Board heard Item 4) *Results of Stress Test Analyses*.

3) Consider Staff's Recommendation to Modify 2025 Clean Power Supply Offering for GreenStart (Action)

This item was considered following Item 5) *FY 24-25 Budget Framework*. Director Martinez Beltran arrived at 8:50 p.m. and switched places at the dais with Alternate Director Carothers to represent the City of Morgan Hill.

Chair Walia thanked the members of the public who submitted written comment on this item prior to the board meeting.

Kris Van Vactor, Director of Power Supply, presented the item with a request to support staff's recommendation to approve changes to SVCE's standard retail rate product, GreenStart, for 2025 as follows:

1. Relax the 100 percent clean target to reflect current portfolio clean position and market conditions; and
2. Authorize the Chief Executive Officer to procure nuclear, carbon-free, attributes.

The presentation included:

- Background on GHG reduction goals;
- SVCE product offerings for 2024;
- Board directive for 2024 procurement of carbon free resources;
- Continued challenges with carbon-free energy procurement for 2025;
- SVCE's total portfolio and incremental costs; and
- Options for GreenStart.

Staff responded to questions from the Board regarding carbon offsets and emissions reductions; the difficulty in procuring carbon free power and the potential cost to do so; confirmation from staff that if conditions were to change and there was an influx of carbon free resources and pricing became more reasonable, staff would pursue those resources; SVCE's GreenStart historical target; clarification that the clean target identified will be a floor while still trying to reach a 100% clean target; how SVCE compares to PG&E; and if an additional product could be developed that would be 100% clean.

Chair Walia opened Public Comment.

John S., Mountain View resident, commented his concerns about moving away from the 100% clean energy goal and his belief that SVCE should maintain that goal if the conditions allow it.

Mike Balma, Carbon Free Mountain View board member, agreed with John S.'s comments and voiced his concern that SVCE is sacrificing its value proposition if not meeting PG&E and maintaining a 100% clean energy target. Mr. Balma encouraged the SVCE Board of Directors to increase the budget to procure more carbon-free resources.

Chair Walia closed Public Comment.

Board members discussed staff's recommendation and provided comments on the proposed target goal, budget, and overall electrification.

Director Lee moved to accept staff's recommendation, with the following additions:

- SVCE would still maintain an aspirational goal of being 100% green;
- The 80% target goal identified is a minimum and SVCE would still target 85-90% short-term to allow us to maintain our reserve targets that are essential for the next several years, and
- Approve staff to procure nuclear, carbon-free, attributes.

Chair Walia reopened Public Comment.

Bruce N. commented on the quick data cycle, so people will know if an opportunity arises.

Chair Walia closed Public Comment.

Board members clarified with Director Lee and staff the minimum floor being referenced in the motion (the current position which is 80% but can change) and percentage that would be used for budgeting purposes (90%).

MOTION: Director Lee moved and Director Martinez Beltran seconded the motion to approve changes to Silicon Valley Clean Energy's (SVCE) standard retail rate product, GreenStart, for 2025 as follows:

- 1. Relax the 100 percent clean target to reflect current portfolio clean position and market conditions with a minimum floor of SVCE's current position, and a short-term target of 85-90% with direction to staff to continue to work toward SVCE's 100% clean goal;**
- 2. Authorize the Chief Executive Officer to procure nuclear, carbon-free attributes.**

The motion carried unanimously by verbal roll call vote.

Following this item, the Board heard Item 6) *Intro to 2025 Strategic Plan and Strategic Focus Areas*.

4) Results of Stress Test Analyses (Discussion)

This item was heard following the CEO Report.

Amrit Singh, CFO and Director of Finance and Administration, presented the findings of SVCE's stress test analyses. Highlights of the presentation included:

- A recap of the Energy Risk Management framework;
- Construction of the stress tests;
- Financial stress tests and implied reserve targets;
- Portfolio and Risk Management with load growth uncertainty; and
- Next steps

Staff responded to questions and comments from the Board including load and price uncertainty, prior stress tests and frequency, and energy prices and hedging.

Chair Walia opened Public Comment.

No speakers.

Chair Walia closed Public Comment.

5) FY 24-25 Budget Framework (Discussion)

CFO and Director of Finance and Administration Singh presented the framework for the FY24-25 budget for feedback. The main areas of discussion included:

- Revenue modeling, which was done with power charge indifference adjustment (PCIA) and PG&E generate rate uncertainty;
- Customer discount rate, additional funding for programs, and set aside for reserves;
- Power supply costs; and
- Other cost drivers

Staff noted the next steps would be to prepare the draft budget for the Finance and Administration Committee's review and bring to the Board of Directors in August. The adoption of the budget would occur in September.

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

Following this item, the Board considered Item 3) *Consider Staff's Recommendation to Modify 2025 Clean Power Supply Offering for GreenStart.*

6) Intro to 2025 Strategic Plan and Strategic Focus Areas (Discussion)

This item was heard following Item 3) *Consider Staff's Recommendation to Modify 2025 Clean Power Supply Offering for GreenStart.* Director Mekechuk left the meeting at 9:51 p.m.

CEO Padilla presented the item on the 2025 Strategic Plan and Focus Areas, provided an overview of the process, reviewed the existing Strategic Focus Areas (SFAs), and highlighted progress on the next fiscal year SFAs. CEO Padilla presented a draft of the proposed SFAs for FY25 (in no particular order):

- Expand Clean & Reliable Grid Actions
- Expand Customer Base Interaction
- Accelerate Building Transportation and Electrification
- Attract and Retain Employees
- Affordability

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

7) Local Agency Action Planning (Informational)

Zoe Elizabeth, Deputy Director of Decarbonization Programs and Policy, provided a status update on the Bay Area Air Quality Management District rule, and agency readiness planning.

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

Board Member Announcements and Future Agenda Items

Director Klein invited all to a drone show for July 4, 2024 at Baylands Park in Sunnyvale.

Director Showalter announced the City of Mountain View Council Sustainability Committee met and concluded to support staff's recommendation to put in immediately a phase 1 pre-wiring requirement for all construction and will work with SVCE on what will be appropriate for next year as the building code cycle moves forward. Director Showalter shared an invite to a Technology Showcase on July 24, 2024 at the Civic Center Plaza.

Adjourn

Chair Walia adjourned the meeting at 10:04 p.m. in memory of Jesse Park, former SVCE employee.

ATTEST:

DocuSigned by:

Andrea Pizano

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Andrea Pizano, Board Secretary