



DATE: August 14, 2017

AGENDA ITEM # 3

**TO:** Environmental Commission

**FROM:** J. Logan, Staff Liaison

**SUBJECT:** Receive report on Silicon Valley Clean Energy Authority

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## **BACKGROUND**

### **State and Local Mandates**

State Assembly Bill 32, the Global Warming Solutions Act, was signed into law in 2006 and directed public agencies in California to support the state-wide target of reducing greenhouse gas (GHG) emissions to 1990 levels by 2020. In addition, California adopted ambitious energy and environmental policies to reduce state-wide greenhouse gas (GHG) emissions to 40% of 1990 levels by 2030 and, to provide 33% of electricity demands in 2020 from renewable resources utilizing clean energy technologies and environmental benefits.

To address the reduction of GHG emissions at the local level, the City Council adopted a Los Altos Climate Action Plan (CAP) on December 10, 2013. The CAP is a comprehensive strategy with goals and measurements to reduce GHG emissions within five focus areas: Transportation, Energy, Resource Conservation, Green Community and Municipal Operations. The CAP was adopted with a target of reducing the community's GHG emissions by at least 15% by 2020 and with an overarching plan for how the City can achieve up to a stretch-goal of 17% reduction in the GHG emissions by 2020.

### **Community Choice Energy**

One method that has the potential to reduce the GHG emission associated with energy consumption is the establishment of Community Choice Energy (CCE), a system that allows cities, counties and Joint Power Authorities (JPA) to aggregate the purchasing power of an identified customer base within a defined area to secure alternative energy supply contracts with the goal of increasing the percentage of energy from renewable sources. The purchase of alternative energy supplies includes renewable sources such as hydroelectric, wind and geothermal as opposed to non-renewable fossil fuels such as coal, oil and natural gas. The consequences inherent in the use of fossil fuels to generate energy are particularly high carbon dioxide equivalents or GHG emissions which contribute to global warming. The ability to form CCEs has been adopted into law in California and a few other states.

### **Council Actions**

City Council convened a study session on Community Choice Aggregation (Energy) on March 10, 2015. The full staff report and video of the Council CCE study session is posted on the City Website at [http://los-altos.granicus.com/GeneratedAgendaViewer.php?view\\_id=4&clip\\_id=911](http://los-altos.granicus.com/GeneratedAgendaViewer.php?view_id=4&clip_id=911)

On April 3, 2015, the City of Sunnyvale sent invitations to Santa Clara County cities to participate in the South Bay Technical Feasibility Study currently composed of and partnered by the Cities of Sunnyvale, Mountain View, Cupertino and Unincorporated Santa Clara County. This partnership is investigating the feasibility of a Community Choice Energy program for the South Bay.

On January 26, 2016, the Environmental Commission presented its Final CCE Report to Council. Council expressed appreciation to the Commission and directed staff to move forward with the necessary steps for membership in Silicon Valley Clean Energy Authority (SVCEA) and the establishment of a CCA program for Los Altos at its February 9, 2016 meeting. At its February 9 and February 23, 2016 meetings, Council finalized the steps for membership in SVCEA and establishment of a CCA for the City. Mayor Bruins was appointed as the SVCEA regular member of the Board of Directors and Councilmember Mordo as the alternate member.

SVCEA held its initial Board of Directors' meeting at the Santa Clara Board of Supervisors chambers on April 13, 2016. The agenda packet and video of the monthly proceedings are available at [http://www.svcleanenergy.org/app\\_pages/view/297](http://www.svcleanenergy.org/app_pages/view/297).

## **DISCUSSION**

The Environmental Commission will review SVCEA monthly agendas, materials and meeting summary notes for purposes of discussion at its Environmental Commission meetings. The results of Commission discussions and recommendations will be provided to Director Bruins. This is in accordance with the Work Plan project to provide resources to Director Bruins on policy and programs guidance. In the event the subcommittee needs to convene for items pertaining to SVCEA, the meeting will be agendaized to the public and will comply with requirements of the Brown Act.

At its November 2016 meeting, Commissioners discussed the GreenPrime opt-up electricity choice for municipal operations and the default GreenStart mix. The Commission requested estimated cost information for both energy choices. This information was provided and discussed. By consensus, the Commission recommends the Council consider the opt-up GreenPrime choice for municipal operations.

At its January 10, 2017 meeting, Council approved a Subordination Agreement required by SVCEA for purposes of banking and finance procedures. In addition, Council approved to opt up to the purchase of GreenPrime electricity service for municipal operations. Staff reports on these topics are posted on the Council agenda webpage.

Delivery of GreenPrime electricity service in Los Altos will commence in April followed by a second phase-in of remaining customers in July 2017. SVCE staff held a community meeting on June 21, 2017 at Hillview Community Center, and hosted tables at the Farmers' Market and at the Art & Wine event. Information and a question and answer opportunities were provided to residents about the operations and delivery of carbon-free electricity by SVCE.

At the July 12, 2017 and August 1, 2017 meetings of the SVCEA Sustainability Managers' Roundtable, SVCEA staff presented 14 programs focused on reducing Greenhouse Gas Emissions. SVCEA Staff requested feedback from each of the Roundtable representatives, gauging level of interest for their particular jurisdiction. City staff attends the SVCEA Sustainability Managers' Roundtable meetings. These programs were presented at the SVCEA Board of Director's meeting on August 8, 2017, item 8. The Board of Directors meeting also included a closed session to discuss the appointment of a new

Chief Executive Officer. Commissioner Bray and staff will provide additional details under the agenda items.

NOTE: CANCELLED - July 12, 2017 SVCEA Board of Directors Meeting

Attachments:

A. SVCEA Board of Directors August 9, 2017 Agenda Packet and selected materials



**Silicon Valley Clean Energy Authority  
Board of Directors Meeting**

Wednesday, August 9, 2017  
7:00 pm

Cupertino Community Hall  
10350 Torre Avenue  
Cupertino, CA

Rob Rennie, Chair  
Town of Los Gatos

Daniel Harney, Vice Chair  
City of Gilroy

Liz Gibbons  
City of Campbell

Rod Sinks  
City of Cupertino

Jeannie Bruins  
City of Los Altos

Courtenay C. Corrigan  
Town of Los Altos Hills

Burton Craig  
City of Monte Sereno

Steve Tate  
City of Morgan Hill

Margaret Abe-Koga  
City of Mountain View

Dave Cortese  
County of Santa Clara

Howard Miller  
City of Saratoga

Jim Griffith  
City of Sunnyvale

*Director Abe-Koga will attend by teleconference from Napili Point Unit #C18, C Building, 5295 Lower Honoapiilani Rd., Lahaina, HI 96761. Members of the public may provide testimony at the teleconference location.*

**AGENDA**

Call to Order

Roll Call

Public Comment on Matters Not Listed on the Agenda

*The public may provide comments on any item not on the Agenda. Speakers are limited to 3 minutes each.*

Consent Calendar (Action)

- 1a) Approve Minutes of the June 14, 2017, Board of Directors Meeting
- 1b) Approve Minutes of the July 10, 2017, Board of Directors Special Meeting
- 1c) Approve Revision to Executive Committee Composition to Reduce the Number of Committee Members to Five
- 1d) Authorize CEO to Approve Confirmation Agreements with CalPeak Power, LLC and Wellhead Power Exchange, LLC to Acquire Resource Adequacy Capacity for 2018, and with Marin Clean Energy for Sale of Resource Adequacy Capacity for 2017
- 1e) Authorize CEO to Approve Master Agreement with TransAlta Energy Marketing (U.S.) Inc., to Acquire Type 2 Energy for CY 2018
- 1f) Approve 2017 Update to Annual Energy Use and Voting Shares as Required by SVCE Joint Powers Agreement
- 1g) Adopt Resolution Amending Conflict of Interest Code to Include Power Contracts & Compliance Specialist Position

[svcleanenergy.org](http://svcleanenergy.org)

333 W El Camino Real  
Suite 290  
Sunnyvale, CA 94087

Rob Rennie, Chair  
Town of Los Gatos

1h) Authorize CEO to Approve Agreement with Strategic Energy Innovations for Climate Corps Bay Area Fellow Hosting Services to Facilitate Hiring of Two Fellows to Support Marketing Activities

Daniel Harney, Vice Chair  
City of Gilroy

1i) May and June 2017 Treasurer Report

Liz Gibbons  
City of Campbell

1j) Adopt Resolution to Authorize the Addition of the Director of Administration and Finance to Conduct Transactions with River City Bank

Rod Sinks  
City of Cupertino

1k) Confirm the Process for Collection and Remittance of Utility Users Tax

1l) Approve Finance Policies Regarding Chart of Accounts and Document Control

Jeannie Bruins  
City of Los Altos

Regular Calendar

Courtenay C. Corrigan  
Town of Los Altos Hills

2) Executive Committee Report (Discussion)

3) CEO Report (Discussion)

Burton Craig  
City of Monte Sereno

4) FY 2017-18 Operating Budget (Discussion)

Steve Tate  
City of Morgan Hill

5) Request for Offers for Renewable Resources with Energy Storage (Discussion)

Margaret Abe-Koga  
City of Mountain View

6) Approve Policy Direction to Provide for Disposition of Net Revenue (Action)

Dave Cortese  
County of Santa Clara

7) Approve Process to Adjust SVCE Rates for CY 2018 (Action)

8) Overview of Demand Side Programs to Reduce Green House Gas Emissions (Discussion)

Howard Miller  
City of Saratoga

Public Comment on Closed Session

*The public may provide comments regarding the Closed Session item(s) just prior to the Board beginning the Closed Session. Closed Sessions are not open to the public.*

Jim Griffith  
City of Sunnyvale

Convene to Closed Session, Conference Room C (Cupertino City Hall)

Public Employee Appointment

Title: Chief Executive Officer

[svcleanenergy.org](http://svcleanenergy.org)

Report from Closed Session

333 W El Camino Real  
Suite 290  
Sunnyvale, CA 94087

Board Member Announcements and Direction on Future Agenda Items

Adjourn



**Silicon Valley Clean Energy Authority**

**Board of Directors Meeting**

Wednesday, June 14, 2017

7:00 pm

Cupertino Community Hall  
10350 Torre Avenue  
Cupertino, CA

**DRAFT MINUTES**

**Call to Order**

Chair Rennie called the meeting to order at 7:02 p.m.

**Roll Call**

**Present:**

Chair Rob Rennie, Town of Los Gatos  
Director Courtenay C. Corrigan, Town of Los Altos Hills  
Alternate Director Anthony Eulo, City of Morgan Hill  
Director Jim Griffith, City of Sunnyvale  
Director Margaret Abe-Koga, City of Mountain View (arrived at 7:11 p.m.)  
Director Howard Miller, City of Saratoga  
Director Rod Sinks, City of Cupertino  
Director Liz Gibbons, City of Campbell  
Director Dave Cortese, County of Santa Clara (arrived at 7:05 p.m.)  
Director Jeannie Bruins, City of Los Altos  
Director Burton Craig, City of Monte Sereno

**Absent:**

Vice Chair Daniel Harney, City of Gilroy

**Public Comment on Matters Not Listed on the Agenda**

Bruce Karney spoke regarding the Foothill-De Anza Community College District's consideration of entering into a contract for Bloom Energy boxes and requested SVCE Board members speak with board members from the Foothill-De Anza Community College District on becoming a customer of SVCE.

Director Sinks noted he reached out to Directors of the Foothill-De Anza Community College District and would like to hear from staff if they have spoken with management.

**Consent Calendar**

Alternate Director Eulo requested to pull Items 1d, 1f, and 1j for further discussion.

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

MOTION: Director Miller moved and Director Gibbons seconded the motion to approve the Consent Calendar with the exception of Items 1d, 1f, and 1j.

The motion carried unanimously with Director Abe-Koga and Vice Chair Harney absent.

- 1a) Approve Minutes of the May 10, 2017, Board of Directors Meeting**
- 1b) Approve Minutes of the May 12, 2017, Board of Directors Special Meeting**
- 1c) Regulatory/Legislative Update**
- 1e) Approve SVCE Information Technology Policies**
- 1g) Approve Vehicle Use Policy**
- 1h) Authorize CEO to Approve Confirmation Letter with Tenaska Power Services Company for PCC3 Deliveries**
- 1i) Authorize CEO to Approve Confirmation Agreements with EDF Trading North America, LLC for PCC2 Deliveries**
- 1k) Approve Amendment to Medical Leave Policy and Provide Short-Term Disability Insurance for SVCE Employees**
- 1l) Authorize CEO to Approve Agreement with Freelance Media Buying for Media Strategy, Media Planning and Media Buying Services**
- 1m) Approve First Amendment to Amended and Restated Employment Agreement for Chief Executive Officer**

#### **1d) SVCE Legislative Platform**

Regulatory/Legislative Analyst Hilary Staver provided information and responded to Board questions. Alt. Dir. Eulo requested staff include a blanket statement tying things to SVCE's Strategic Plan similar to, "Bills that support the objectives listed in the Strategic Plan will be supported, and those that stop the Strategic Plan from being implemented will be opposed."

MOTION: Alt. Dir. Eulo moved and Dir. Bruins seconded the motion to approve the SVCE Legislative Platform with the addition of a statement referring to SVCE's Strategic Plan.

FRIENDLY AMENDMENT: Director Griffith offered a friendly amendment to include, in the process of sending letters, a review and approval by the current Board Chair.  
Alt. Dir. Eulo and Dir. Bruins accepted the friendly amendment.

The motion carried unanimously with Vice Chair Harney absent.

#### **1f) Approve Travel and Meeting Expense Reimbursements for Employees Policy**

MOTION: Alt. Dir. Eulo moved and Director Corrigan seconded the motion to approve General and Administrative Policy #1, providing guidelines for employee reimbursements for travel and meetings, with revisions to Section V, A. *Accommodations*, omitting the first paragraph in the section, and inserting the word "reasonable" in the last sentence to read, "In instances where lodging is required for a Meeting, every *reasonable* effort shall be made to choose the lowest cost lodging alternative."

The motion carried unanimously with Vice Chair Harney absent.

#### **1j) Approve SVCE Self Service Feed-In Tariff (SSFIT) Electric Schedule**

Manager of Account Services Don Bray provided information and responded to Board questions; CEO Tom Habashi provided additional information.

Chair Rennie opened public comment for items 1d, 1f, and 1j.  
No speakers.  
Chair Rennie closed public comment for items 1d, 1f, and 1j.

MOTION: Alt. Dir. Eulo moved and Director Miller seconded the motion to approve the SVCE Self Service Feed-In Tariff (SSFIT) Electric Schedule.

The motion carried unanimously with Vice Chair Harney absent.

### **Regular Calendar**

#### **2) Executive Committee Report**

Chair Rennie stated the Executive Committee met on May 23 and discussed staff recommendations for a shift in SVCE's initial policies. Chair Rennie announced staff recommended canceling the Executive Committee meeting scheduled for June and the Board meeting scheduled for July due to lack of content and many member communities being on vacation.

MOTION: Director Cortese moved and Director Bruins seconded the motion to cancel the Executive Committee meeting scheduled for June 27 and the Board of Directors meeting scheduled for July 12.

Chair Rennie opened public comment.

James Tuleya, resident of Sunnyvale, noted that the initial discussion of programs was to be discussed in July and emphasized that programs are a very important next step for SVCE.

CEO Habashi stated that staff will be ready to present programs at the August Board meeting, as well as the budget for next fiscal year.

Chair Rennie closed public comment.

The motion passed unanimously with Vice Chair Harney absent.

#### **3) CEO Report**

CEO Tom Habashi presented the CEO report which included an update on SVCE new hires, an update on the Power Charge Indifference Adjustment (PCIA), and strategies to address the needs of Direct Access Customers. CEO Habashi provided an update on a meeting with staff of the Foothill-De Anza Community College District and an enrollment update. CEO Habashi responded to Board questions on the PCIA; Manager of Account Services Bray responded to Board questions on the Foothill-De Anza Community College District meeting.

Director Sinks requested staff inform SVCE Directors if they would like to speak with Foothill-De Anza Community College District Board members; Director Corrigan encouraged other SVCE Board members reach out to Foothill-De Anza Community College District Board members.

Chair Rennie opened public comment.

No speakers.

Chair Rennie closed public comment.

#### **4) Treasurer Report**

Director of Administration and Finance Don Eckert presented the Treasurer report and responded to Board questions. CEO Habashi provided additional information.

Chair Rennie opened public comment.

No speakers.

Chair Rennie closed public comment.



**5) Approve Formation of an Audit and Finance Committee (Action)**

CEO Habashi presented the staff report and Director of Administration and Finance Eckert provided additional information on the commitment of Audit and Finance Committee members and the plan for quarterly meetings.

The Board discussed the makeup of the Audit and Finance Committee; CEO Habashi responded to Board questions.

Director Miller, Director Gibbons, and Director Craig volunteered to serve on the Audit and Finance Committee.

Director Bruins expressed concern over a majority of Directors serving on multiple sub-committees; Director Miller offered to step down from his Executive Committee position.

MOTION: Chair Rennie moved and Dir. Abe-Koga seconded the motion to appoint Director Cortese, Director Gibbons, Director Miller, Director Corrigan and Director Craig as primary members on the Audit and Finance Committee, with the option to pick an alternate that can be a staff member of their respective communities.

Director Miller clarified with the maker of the motion that Audit and Finance Committee members will be reassessed in January 2018, making the committee a six-month assignment.

Director Cortese left the meeting at 8:02 p.m.

Director Gibbons clarified with the maker of the motion that the five appointed Audit and Finance Committee members would be members of the Board and should return to the Executive Committee with recommended alternates, who will not be a public citizen, but could be another council member/supervisor or Finance staff person.

Chair Rennie opened public comment.

No speakers.

Chair Rennie closed public comment.

Chair Rennie noted scheduling of the first Audit and Finance Committee meeting could be done offline with staff.

The motion passed unanimously with Director Cortese and Vice Chair Harney absent.

**6) Adopt Resolution Amending the Organization Chart to Delete One Community Outreach Specialist and Add One Account Services Representative (Action)**

Director of Marketing and Public Affairs Alan Suleiman presented the staff report and responded to Board questions.

MOTION: Alternate Director Eulo moved and Director Bruins seconded the motion to adopt Resolution 2017-07, amending the adopted organization chart to delete one Community Outreach Specialist position and add one additional Account Services Representative.

Chair Rennie opened public comment.

No speakers.

Chair Rennie closed public comment.

Director Craig requested staff send an organization chart including staff member names to the Board.

The motion carried unanimously with Director Cortese and Vice Chair Harney absent.

## 7) Approve Strategic Plan (Action)

CEO Habashi presented the Strategic Plan and responded to Board questions.

Chair Rennie opened public comment.

No speakers.

Chair Rennie closed public comment.

MOTION: Alternate Director Eulo moved and Director Bruins seconded the motion to approve the Strategic Plan.

The motion carried unanimously with Director Cortese and Vice Chair Harney absent.

## 8) Approve Update to Key Policies to Guide SVCE's Operations into the Future (Action)

CEO Habashi provided a PowerPoint presentation and responded to Board questions.

Chair Rennie opened public comment.

Bruce Karney requested the Board pause on decision making for the recommended rates, rebates and product mix. Karney spoke of his support for community programs in reference to goals outlined in the Strategic Plan and his opinion that the expected programs for SVCE communities are running behind. Karney noted that, speaking on behalf of Carbon Free Silicon Valley, he does not support the proposed customer generation rates.

James Tuleya spoke of his experience working on programs at PG&E and his assumption staff will put sufficient budget for programs in the budget. Tuleya noted it is not unreasonable to come back with proposals for programs in September, he is a big proponent of programs as long as they are sufficiently budgeted, and is in favor of the dividend rebate program for reasons given by staff and Directors.

Chair Rennie closed public comment.

The following suggestions and comments were given to staff:

### 1 – SVCE Reserve Policy

Board members requested the word “annual” be included in the recommendation: “SVCE’s reserves target will be set at a minimum/target/maximum of 25/50/75 percent of *annual* operating expenses. This fund will combine rate stabilization, capital and working capital reserves.”

### 2 – SVCE Customer Generation Rates

Board members requested the recommendation specify the GreenStart product: “Rates for 2017 and 2018 calendar years are set at 1% below PG&E in each of the two years *for the GreenStart product*; for 2019 and beyond, rates will be set at 2% below PG&E’s rates.” Board discussion included the percentage SVCE should be below PG&E and remaining cost competitive to give consumers an opportunity to make their own choices about the product options they have.

### 3 – SVCE Net Operating Revenue

Board discussion included quantifying cash flow scenarios, SVCE’s budget, funds for future programs, and holding revenues as opposed to issuing a rebate at the end of the year.

### 4 – SVCE Power Resource Preferences

Board discussion included the current power supply mix and options for the future mix.

### 5 – SVCE Product Offerings

Board discussion included previous marketing approaches to the community, the use of the word “renewable”, past and future SVCE messaging, PG&E’s product offerings, the option of offering additional

SVCE products, staying competitive with PG&E, exceeding RPS minimums, and staying with the two products that are currently offered.

Director Abe-Koga requested messaging from staff for community meetings; Director Miller requested a chart detailing how the RPS will change over time.

The Board requested financial information from staff to support the recommendations presented as well as a menu of various policy options, and were in consensus to wait on making a decision until a future meeting.

CEO Habashi summarized Board feedback to include a breakdown of the recommendations as individual agenda items with supporting financial documentation and different options, including not changing the current policies as one of those options, and bringing it back to the Board for approval. Board members clarified that some of the recommendations could be bundled into one staff report and should include the greenhouse gas emissions associated with the recommendation.

No action was taken on this item.

### **Board Member Announcements and Direction on Future Agenda Items**

Director Miller announced an electric vehicle DC Fast Charging Station grand ribbon cutting at the Saratoga Library at 4:30p.m. on June 22 and noted there will be mock signs that state, "100% greenhouse gas free provided by Silicon Valley Clean Energy."

Director Sinks reported that a Cupertino community survey, with polling conducted between April 4-15, showed that 33.5% of Cupertino residents have at least seen, heard, or read about Silicon Valley Clean Energy. Director Sinks stated he met with the Natural Resource Defense Council (NRDC) last week and requested the SVCE Board consider supporting NRDC's initiative to expand California Independent System Operator (California ISO) to take management of the western grid at the August Board meeting. Director Sinks noted that in discussions with other board members from CCAs in the bay area, board members feel the need to be prepared to develop a clear strategy to make key legislative points; Director Sinks will report back on additional discussions at the August Board meeting.

Director Bruins voiced concern of having a majority of sub-committees serving in multiple capacities and requested an agenda item for the August Board meeting to replace Howard Miller on the Executive Committee.

### **Adjourn**

Chair Rennie adjourned the meeting at 10:07 p.m.



**Silicon Valley Clean Energy Authority  
Board of Directors Special Meeting**

Monday, July 10, 2017  
10:00 am

Sunnyvale Community Center | Recreation Center  
Neighborhood Room  
550 E Remington Drive  
Sunnyvale, CA

**DRAFT MINUTES**

**Call to Order**

Chair Rennie called the meeting to order at 10:05 a.m.

**Roll Call**

**Present:**

Chair Rob Rennie, Town of Los Gatos  
Alternate Director Steve Schmidt, Town of Los Altos Hills  
Director Courtenay C. Corrigan, Town of Los Altos Hills (arrived at 10:10 a.m.)  
Alternate Director Anthony Eulo, City of Morgan Hill  
Director Jim Griffith, City of Sunnyvale  
Director Margaret Abe-Koga, City of Mountain View (arrived at 10:06 a.m.)  
Director Howard Miller, City of Saratoga  
Director Rod Sinks, City of Cupertino  
Director Liz Gibbons, City of Campbell  
Alternate Director Jean Mordo, City of Los Altos  
Director Burton Craig, City of Monte Sereno

**Absent:**

Vice Chair Daniel Harney, City of Gilroy  
Director Dave Cortese, County of Santa Clara

**Regular Calendar**

**1) Discuss and Provide Direction on Process for Hiring New Chief Executive Officer (CEO)**

Chair Rennie announced the item and purpose of the special meeting. CEO Tom Habashi provided introductory remarks and recommended suggestions for hiring a new Chief Executive Officer.

Director Corrigan arrived at 10:10 a.m.; Alternate Director Schmidt returned to the audience to serve as a member of the public.

CEO Habashi responded to Board questions regarding his recommendations.

Chair Rennie opened public comment.

Steve Schmidt thanked CEO Habashi for his contributions and inquired what skill sets would be most important for a CEO at the current stage of SVCE. CEO Habashi responded it should be someone who understands the industry, power procurement process, and someone who will be sensitive to the community's needs.

Chair Rennie closed public comment.

At approximately 10:30 a.m., Director Gibbons was disconnected from the meeting due to technical difficulties.

Chair Rennie restated the suggestions given by CEO Habashi which included three options: 1) hire a utility recruiter, 2) use SVCE's current recruiter who can help through the filter process, or 3) involve LEAN Energy to help with the recruitment process.

The Board discussed the options presented as well as using a hybrid approach of the recommendations. Board comments included hiring an executive recruiter for a national hiring effort, interim CEO candidates, the process for selecting a recruiter for hiring, formation of a subcommittee for the recruitment process, involving industry professionals like Shawn Marshall of LEAN Energy, timing for hiring, values for the hiring process which included a broad search, open process, professional and transparent, and general ideas regarding the hiring process.

CEO Habashi responded to Board questions and provided additional information.

General Counsel Greg Stepanicich noted the Board could hold a closed session during the August Board meeting to discuss candidates for the interim CEO to evaluate who would be the best person for the position. General Counsel Stepanicich confirmed with Chair Rennie that SVCE can seek proposals from select recruitment firms with a short period of time to respond and is not required to put out an RFP.

MOTION: Alternate Director Eulo moved and Director Sinks seconded the motion to 1) establish a sub-committee to initiate the recruitment process, 2) set a meeting date in two or three weeks for a special meeting of the Board to endorse the outreach materials, job descriptions, etc. needed for the recruitment, and 3) contract with Bryce Consulting to lead the recruitment.

FRIENDLY AMENDMENT: Director Corrigan offered a friendly amendment to add a fourth step to agendaize a closed session in August to determine an interim pick and/or process to move forward with an interim CEO.

Alternate Director Eulo and Director Sinks accepted the friendly amendment.

Chair Rennie requested clarification if Bryce Consulting would work alone or if LEAN Energy would assist; Alternate Director Eulo responded that the decision would be up to the subcommittee. General Counsel Stepanicich noted that the interim candidates could be evaluated in closed session, and the process for selecting the interim candidates could be established at the current meeting.

REVISED MOTION: Alternate Director Eulo requested a revision to his motion to include a fifth element to include that the Board endorse that the recruitment be broad, include national exposure, be timely and transparent.

Director Sinks and Director Corrigan accepted the revision to the motion.

Following discussion, Alternate Director Eulo adjusted part 2 of his motion to reflect a three-week check in without the mention of outreach materials, job descriptions, etc. needed for the recruitment.

Director Sinks and Director Corrigan accepted the adjustment to the motion.

Chair Rennie opened public comment.

Bruce Naegel spoke in support of getting an interim CEO in place and noted the importance of deciding what interim CEO characteristics the Board is looking for.

Chair Rennie closed public comment.

RESTATED MOTION: Alternate Director Eulo moved and Director Sinks seconded the motion to 1) appoint a sub-committee to initiate the recruitment process, 2) schedule an approximate three-week check-in of the

Board, 3) proceed to empower the sub-committee to contract with Bryce Consulting, 4) agendaize a closed session at the Board Meeting in August for discussion of interim CEO candidates, and 5) objectives of the recruitment process are to include an open process of national exposure, be timely and transparent.

The motion failed to pass with six affirmative votes and Directors Griffith, Abe-Koga, and Craig dissenting by roll call vote.

It was confirmed that Director Gibbons was not on the teleconference line.

MOTION: Director Craig moved and Alternate Director Eulo seconded the motion to hire Bryce Consulting. The motion passed with Directors Griffith and Abe-Koga dissenting, and Vice Chair Harney and Directors Gibbons and Cortese absent.

MOTION: Alternate Director Eulo moved and Director Abe-Koga seconded the motion to add a closed session to the August regular Board of Directors meeting to evaluate interim CEO candidates. The motion passed unanimously with Vice Chair Harney and Directors Gibbons and Cortese absent.

MOTION: Director Griffith moved and Director Abe-Koga seconded the motion to immediately choose a subcommittee to discuss with CEO Tom Habashi and the two internal interim CEO candidates, and come back to the closed session in August with a recommendation for an interim CEO. The motion passed with Alternate Director Eulo dissenting, and Vice Chair Harney and Directors Gibbons and Cortese absent.

The Board discussed who would make up the subcommittee.

MOTION: Alternate Director Eulo moved and Director Craig seconded the motion to appoint Directors Griffith, Abe-Koga, Sinks, and Chair Rennie to the subcommittee to evaluate interim CEO candidates. The motion passed unanimously with Vice Chair Harney and Directors Gibbons and Cortese absent.

Director Griffith clarified the subcommittee would meet with CEO Habashi and the two candidates individually to gauge interest, gather information, and set expectations. The subcommittee and CEO Habashi discussed a meeting date/time.

Director Abe-Koga left the meeting at 11:37 a.m.

MOTION: Director Miller moved and Alternate Director Eulo seconded the motion to appoint Directors Abe-Koga, Miller, Sinks, and Chair Rennie to the subcommittee for the recruitment process for CEO. The motion passed unanimously with Vice Chair Harney and Directors Abe-Koga, Gibbons, and Cortese absent.

MOTION: Director Sinks moved to have Shawn Marshall of LEAN Energy assist in recruitment. The motion died due to lack of a second.

Board members noted that the decision would be made by the subcommittee of who would be involved in the recruitment process.

The Board discussed noticing of CEO Habashi's departure in the form of a press release.

MOTION: Director Griffith moved and Director Corrigan seconded the motion to authorize the Chair to work with staff on a press release announcing CEO Habashi's departure from SVCE. General Counsel Stepanicich noted that direction could be given to staff without a formal vote on a motion.

Board members were in consensus that staff work on a press release with additional review at the discretion of the Chair.

### **Adjourn**

Chair Rennie adjourned the meeting at 11:44 a.m.



### Staff Report – Item 1f

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To: Silicon Valley Clean Energy Authority Board of Directors

From: Tom Habashi, CEO

**Item 1f: Approve 2017 Update to Annual Energy Use and Voting Shares as Required by SVCE Joint Powers Agreement**

Date: 8/9/2017

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#### **RECOMMENDATION**

Approve update to Exhibits C & D in SVCE Joint Powers Agreement (JPA) to reflect the members' energy demand and voting rights.

#### **BACKGROUND**

As referenced in Section 4.9.2 *Voting Shares Vote* of SVCE's JPA, immediately following an affirmative percentage vote by the Board of Directors, two Directors may request a vote of the voting shares be held. A voting shares vote requires that the sum of all corresponding voting shares of Directors voting in the affirmative exceed a 50 percent majority. Voting shares are determined by the formula outlined in Section 4.9.3 *Voting Shares Formula*.

The Annual Energy Use (Exhibit C) and Voting Shares (Exhibit D) for each of SVCE's 12 jurisdictions should be adjusted in SVCE's JPA annually. Attached are updated Exhibits reflecting 2016 data provided by PG&E. The next annual adjustment shall occur as soon as reasonably practicable after January 1, 2018 but no later than March 1, 2018, subject to Board approval.

#### **ATTACHMENTS**

1. Update to Exhibit C, Annual Energy Use
2. Update to Exhibit D, Voting Shares

**EXHIBIT C**  
**ANNUAL ENERGY USE**

This Exhibit C is effective as of August 09, 2017.

<b>Party</b>	<b>kWh (2016*)</b>
Campbell	206,632,307
Cupertino	234,914,343
Gilroy	284,334,863
Los Altos	132,365,808
Los Altos Hills	43,543,838
Los Gatos	207,102,990
Monte Sereno	16,339,961
Morgan Hill	211,478,618
Mountain View	597,856,147
Santa Clara County (Unincorporated)	380,323,888
Saratoga	122,099,904
Sunnyvale	1,297,588,283

\*Data provided by PG&E



**EXHIBIT D**

**VOTING SHARES**

This Exhibit D is effective as of August 09, 2017.

<b>Party</b>	<b>kWh (2016*)</b>	<b>Voting Share Section 4.9.2</b>
Campbell	206,632,307	5.5%
Cupertino	234,914,343	6.3%
Gilroy	284,334,863	7.6%
Los Altos	132,365,808	3.5%
Los Altos Hills	43,543,838	1.2%
Los Gatos	207,102,990	5.5%
Monte Sereno	16,339,961	0.4%
Morgan Hill	211,478,618	5.7%
Mountain View	597,856,147	16.0%
Santa Clara County (Unincorporated)	380,323,888	10.2%
Saratoga	122,099,904	3.3%
Sunnyvale	1,297,588,283	34.7%
<b>Total</b>	<b>3,734,580,950</b>	<b>100.0%</b>

\*Data provided by PG&E



## Community Outreach Update July – August 2017

### 1. Events and Presentations

Below is a list of the community events and meetings that SVCE staff attended in late-June through July. Staff estimates that more than 1,500 residents were directly reached throughout late-June and July, and thousands more through promotional activities associated with SVCE’s participation at these community events.

The list below also includes upcoming events in August and September. Please note that SVCE Directors and Alternate Directors are welcome to attend any of the upcoming senior center presentations in your communities.

<b>Date</b>	<b>Time</b>	<b>Event Description</b>	<b>Location</b>
Jun. 28	8:30 – 9 AM	Day Worker Center of Mountain View - <i>Spanish presentation</i>	113 Escuela Ave., <b>Mountain View</b>
Jun. 29	12 – 2 PM	East San Jose Rotary Club – <i>presentation (unincorporated county outreach)</i>	Ranch Golf Club 4601 Hill Top View Ln. San Jose
Jun. 30	7 – 9 PM	Fifth Street Live - <i>tabling</i>	5 <sup>th</sup> Street, <b>Gilroy</b>
Jul. 8 - 9	10 AM – 6 PM	Los Altos Arts & Wine Festival - <i>tabling</i>	Downtown <b>Los Altos</b>
Jul. 10	4 – 5:30 PM	Stanford Campus Residential Leaseholders (SCRL) - <i>presentation</i>	Stanford Campus, <b>unincorporated county</b>
Jul. 11	11:30 AM – 1 PM	AIA Santa Clara Valley	Hawley Peterson Snyder, <b>Sunnyvale</b>
Jul. 13	6 – 8:30 PM	Campbell Summer Concert Series - <i>tabling</i>	Orchard City Green, <b>Campbell</b>
Jul. 16	10 AM – 5 PM	Saratoga Car Show - <i>tabling</i>	Downtown <b>Saratoga</b>
Jul. 18	6 – 8 PM	Energy Upgrade CA/BayREN Workshop - <i>presentation &amp; table</i>	<b>Sunnyvale</b> City Council Chambers
Jul. 21	6:30 – 9 PM	Friday Night Music - <i>tabling</i>	<b>Morgan Hill</b>
Jul. 26	5:30 – 8:30 PM	Downtown Summer Music Series - <i>tabling</i>	Murphy Ave., <b>Sunnyvale</b>
Jul. 26	6 – 8 PM	Energy Upgrade CA/BayREN Workshop - <i>presentation &amp; table</i>	<b>Campbell</b> Community Center
Jul. 29	10 AM – 2 PM	Sunnyvale State of the City - <i>tabling</i>	<b>Sunnyvale</b> Library
Aug. 2	12 – 1 PM	Saratoga Senior Center - <i>presentation (also serving Los Gatos and Monte Sereno)</i>	19655 Allendale Ave, <b>Saratoga</b>
Aug. 2	12:30 – 1:30 PM	Los Altos Seniors - <i>presentation</i>	Grant Park Community Center 1575 Holt Ave, <b>Los Altos</b>
Aug. 4	10 AM – 12 PM	Los Altos Senior Program - <i>presentation</i>	Hillview Community Center, Room 10 97 Hillview Ave, <b>Los Altos</b>

Aug. 9	5:30 – 8:30 PM	Downtown Summer Music Series - <i>tabling</i>	Murphy Ave., <b>Sunnyvale</b>
Aug. 15	1 – 2 PM	Mountain View Senior Center - <i>presentation</i>	266 Escuela Avenue, <b>Mountain View</b>
Aug. 18	10 -11 AM	Campbell Adult Center - <i>presentation</i>	1 W Campbell Ave. #C33, <b>Campbell</b>
Aug. 18	7 – 9 PM	Fifth Street Live - <i>tabling</i>	5 <sup>th</sup> Street, <b>Gilroy</b>
Aug. 20	12 – 4 PM	Los Altos DownTown Green, Energy Day - <i>tabling</i>	Downtown <b>Los Altos</b>
Aug. 23	11:15 AM – 12:15 PM	Morgan Hill Senior Center - <i>presentation</i>	Morgan Hill Older Adult Services 171 W Edmundson Avenue, <b>Morgan Hill</b>
Aug. 29	9:30 – 10:30 AM	Gilroy Senior Center - <i>presentation</i>	7371 Hanna Street, <b>Gilroy</b>
Sept. 6	1 – 2 PM	Sunnyvale Senior Center - <i>presentation</i>	550 E Remington Drive, <b>Sunnyvale</b>
Sept. 7	1 – 2 PM	Cupertino Senior Center - <i>presentation</i>	21251 Stevens Creek Blvd. <b>Cupertino</b>
Sept. 8	2 – 3 PM	Los Altos Hills Senior Center - <i>presentation</i>	26379 Fremont Road, <b>Los Altos Hills</b>

## **2. Business Outreach**

### **Chamber Outreach**

- SVCE received new member recognition at the Morgan Hill Chamber of Commerce breakfast meeting on Aug. 3
- SVCE joined the Los Gatos and Mountain View chambers of commerce

### **Corporate Campus Presentations**

The following “green bag” lunches were organized as part of Acterra’s outreach support for SVCE. Several others are in progress, but the dates are not confirmed.

- Nimble Storage, San Jose – June 13
- Fenwick and West, Mountain View – June 21
- Intuit, Mountain View – July 25
- LinkedIn, Sunnyvale – July 28

## **3. Enrollment Notifications, Upgrade and Opt Out Update**

Post-enrollment notifications for Phase 2 customers is ongoing. Phase 2 will begin to see “Silicon Valley Clean Energy Electric Generation Charge” listed on their August PG&E Energy Statements.

Solar customers with annual true-up dates in August, September or October are part of the October Net Energy Metering enrollment and were sent a letter the week of July 31, which serves as their official enrollment notice.

Below is the number of GreenPrime upgrades and Opt Outs as of Aug. 4, as well as the total opt out percentage in overall accounts, and opt out percentage by load.

	Upgrade	Opt Out	Total Opt Out Percentage, All Accounts	Opt Out Percentage by Load
<b>Residential</b>	712	3925	1.75%	2%
<b>Commercial</b>	1503	440		9%

#### **4. Acterra Outreach Contract Complete**

Acterra, a nonprofit environmental group, assisted SVCE with outreach from late-March through July 15. The contract was put in place after the SVCE Board voted to combine the final two enrollment phases. Acterra’s activities included outreach to community-based organizations, small businesses, and employees of large commercial campuses. Here is a recap of the results from Acterra’s outreach support:

- **Email Campaign:**
  - 2,548 email messages sent to individuals whose contact info was in Acterra’s database, which included 259 leaders of organizations within SVCE’s service area. Recipients included building management and facilities professionals, non-environmental community-based organizations, neighborhood organizations, faith-based organizations and environmental groups.
  - The messages gave a brief description of SVCE and its goals, and invited recipients to attend a city-based info session. The messages also offered to set up presentations for community groups and included a short article suitable for inclusion in the organization’s newsletters.
- **Business Outreach** – Acterra performed two types of outreach to the business community, with the aim of reaching both small-to-medium sized businesses and those who have an environmental connection.
  - **Business District Canvassing**
    - To reach local merchants in downtown areas, Acterra staff members canvassed the main business districts in seven of the SVCE cities, distributing flyers and SVCE staff contact info. Acterra held 323 separate conversations over eight afternoon trips from April 17 to May 23, 2017 and found most shopkeepers were unaware of SVCE since many leased their space and are not responsible for paying utility bills. However, most shop owners, staff or managers were residents within SVCE’s service area.
    - The response was overwhelmingly positive and enthusiastic. “Why would anyone want to opt out?” was a frequent comment when told about that option. The downtown areas visited include: Los Altos, Mountain View, Sunnyvale, Morgan Hill, Campbell, Gilroy and Los Gatos.
  - **Outreach to Acterra-Related Businesses and Business Organizations**
    - Acterra has an extensive database of business and business-related contacts from its 27-year-old Business Environmental Awards program. Acterra utilized this list as well as companies where Acterra Board members are employed and/or have contacts. Acterra sent

personal messages to 33 people employed at larger Silicon Valley businesses, similar to the messages sent to individual Acterra members, describing SVCE and its goals, inviting recipients to attend one of the city-based info sessions, and offering to set up a “green bag lunch” presentation about SVCE for their co-workers. Acterra also included a brief article in case there was an opportunity to include it on an inter-office bulletin board or in an internal newsletter.

- From these contacts, SVCE generated 11 requests for SVCE to make a presentation at employee gatherings. Four of these events have been held as of July 28, with 80 attendees. Five more presentations are scheduled for July – September, and two more are in the process of finding a date.
- Lastly, Acterra also sent individual email messages to the leaders of 10 business and “green” professional organizations in Silicon Valley, with a combined membership of 4,812 people. These messages similarly introduced SVCE and its goals, offered to help schedule a speaker about SVCE and included a brief newsletter article that they might include in their next communication with their members.

## **5. New Guidebook Available**

To provide information for residents without internet access, SVCE now has a printed guidebook available in community centers, senior centers and libraries throughout our service area. The guidebook provides the same information about SVCE that would be found on our website, in addition to some helpful reminders about energy efficiency and safety around the home.

## **6. Media**

Press releases:

- [Continued Support for Carbon Free Electricity](#), *published 7-13-2017*
- [Cost Comparison Tool Now Available](#), *published 7-17-2017*
- [Silicon Valley Clean Energy CEO to Head New Community Choice Energy Agency](#), *published 7-24-2017*

News:

- [Silicon Valley Clean Energy roll-out arrives in Saratoga](#), *The Mercury News – June 20, 2017*
- [New power company SVCE to compete with PG&E in South Bay](#), *ABC7 – June 20, 2017*
- [MV, SVCE host meeting on switch to carbon-free electricity](#), *Los Altos Town Crier – June 21, 2017*
- [LEDs will be throughout Saratoga by end of summer](#), *The Mercury News – June 30, 2017*
- [Sunnyvale holds second revamped State of the City](#), *The Mercury News – August 1, 2017*

	SEPT	OCT	NOV	DEC	JAN	FEB
<b>MILESTONES</b>	NEM Customer Notice #2	NEM Q3 Enrollment				
	September 13, 2017	October 11, 2017	November 8, 2017	December 13, 2017	January 10, 2018	February 14, 2018
<b>ADMINISTRATION, POLICIES</b>	FY 2017-18 Budget approval		Approve 2018 Electric Rates		Approve Updates to 2018 Electric Rates	
<b>STAFFING</b>	Staff Appointments					
<b>CONTRACTS</b>						



## Staff Report – Item 8

To: Silicon Valley Clean Energy Authority Board of Directors

From: Tom Habashi, CEO

**Item 8: Overview of Demand Side Programs to Reduce Green House Gas Emissions**

Date: 8/9/2017

### **BACKGROUND**

In July 2016, staff recommended to dedicate 1% of SVCE's revenue to implement customer programs and committed to provide a list of candidate programs by summer 2017.

Since April 2017, SVCE staff has met monthly with municipal managers from SVCE jurisdictions responsible for sustainability, energy and environmental activities (the Sustainability Managers Roundtable), and received input on program evaluation criteria, areas of focus, candidate programs and priorities.

### **ANALYSIS & DISCUSSION**

Staff has taken several steps in preparing an initial list of candidate programs, including identifying a clear set of program evaluation criteria. Each of these criteria relates to SVCE strategic goals. Candidate programs should rank favorably against most or all criteria to ensure the program will be beneficial to SVCE customers and stakeholders. The program evaluation criteria are as follows:

- **GHG Reduction** – directly measurable and attributable carbon reduction, and addressable potential
- **Unit Cost** – SVCE unit cost of GHG reduction, after leverage of 3rd-party resources
- **Time to Value** – speed, level and likelihood of achieved customer value
- **Grid Performance** – improved grid resources and demand alignment to optimize use of clean energy
- **Community Engagement** – local stakeholder involvement, customer education and awareness building
- **Market Transformation** – addresses critical need(s) for development of essential new markets

Fourteen candidate programs have been initially defined, across the following three categories:

- **Electrification programs** focus on fuel switching from fossil fuels to clean electricity, and reducing carbon emissions from segments other than electricity production, such as transportation and gas heating.
- **Demand management programs** will help our customers use clean electricity when availability is the highest and prices are lowest, and reduce the need to use fossil fuels to support steep daily production ramps in the late afternoon and early evening hours.
- **Foundational programs** represent ongoing programs that SVCE's customer care team will provide to advance clean electricity use and carbon reduction in our member communities, and education and awareness for residential and commercial customers.

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**Agenda Item: 8****Agenda Date: 8/9/2017**

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Of fourteen candidate programs outlined, three have been identified for immediate further development and launch in the second half of 2017:

- Connected Homes Energy and Demand Management
- Commercial Demand Management
- SVCE GHG Inventory Data and Metrics

These three programs are comparatively low cost and address important needs. They offer near-term benefits to multiple customer segments, SVCE and participating communities, and are described in the attached program briefs.

The remaining eleven programs will be further defined with input from key stakeholders, and other candidate programs may be added. Priority programs for launch for late 2017 and early 2018 will likely involve electric vehicles, electric vehicle charging, and high-efficiency electric water heating. Details can be found in the attached SVCE Candidate Program Summaries. Candidate programs are arranged by program category, and ordered as prioritized by Sustainability Managers Roundtable participants at their August 1, 2017 meeting.

**FISCAL IMPACT**

Pending the Board's approval for the proposed FY 17-18 budget, 2% of SVCE's annual operating revenue has been committed to programs, approximately \$5 million.

**ATTACHMENTS**

1. Program Briefs: Connected Homes Energy and Demand Management, Commercial Demand Management, and SVCE GHG Inventory Data and Metrics.
2. SVCE Candidate Program Summaries





<b>Title</b>	<b>Connected Homes Energy and Demand Management</b>	
<b>Program Class</b>	Demand Management	
<b>Alignment</b>	Strategic Plan 5.2: Develop and conduct SVCE programs that promote decarbonization via improved energy efficiency and/or fuel switching to clean electricity, and 5.3: Plan and launch initial 'starter programs' as prioritized in Q4 2017	
<b>Strategy</b>	Establish connectivity and capabilities to reduce gas heating during winter to lower natural gas consumption and associated GHG's; and reduce electricity use during summer peak usage periods, reducing SVCE electricity costs and grid GHGs associated with ramp-up load	
<b>Market</b>	Initially, all residential Nest customers with an eligible connected thermostat (~25,000 customers estimated); subsequently broaden to other connected thermostat providers	
<b>Est. Launch</b>	August 2017	
<b>Goal</b>	Reduce 530 MT of CO2 based on 25,000 winter participants (~3% of HVAC savings per home = 100,000 therms at 0.005302 metric ton of CO2 per therm); contribute to lower electric supply costs	
<b>Description</b>	Enable Nest's 'Seasonal Savings' Program, to enable existing smart thermostats in home and small businesses to automatically make small adjustments to heating settings during the winter, and cooling settings during the summer - to reduce energy demand and associated carbon emissions, and save participants money. Initial pilot program with Nest can begin as early as August 2017.	
<b>Stakeholder Engagement</b>	~25,000 residential customers with programmable thermostats	
<b>Budget</b>	Thru Dec 2017: \$100,000 Thru Dec 2018: \$135,000	
<b>Metrics</b>	# of enrollees, lbs of GHG, MWH/Therms saved	
<b>Exit Strategy</b>	Transition to DR and ADR phase in 2-4 seasons utilizing Rush hour rewards and Sun shine savings (rates or incentives)	
<b>Criteria</b>	GHG Reduction: Medium Unit Cost: Medium Grid Stability: Medium	Comm. Engagement: High Mrkt Transformation: Medium Time to Value: High
<b>Resources</b>		
<b>Program manager</b>	0.25 FTE of existing staff	
<b>Marketing/outreach</b>	Social media, member agencies websites, vendor co-marketing	
<b>IT</b>	Website, email blasts Integrate enrollees in CRM	
<b>Accounting</b>	Process contract with third parties, vendor payments and rebates	
<b>Approvals</b>	Board	



<b>Title</b>	<b>Commercial Demand Management</b>	
<b>Program Class</b>	Demand Management	
<b>Alignment</b>	2.1 Provide carbon free electricity to additional customers in the SVCE service area and increase market share 5.3 Develop and conduct SVCE programs that promote decarbonization via fuel switching to clean electricity, and improved energy efficiency	
<b>Strategy</b>	Develop SVCE focused DR initiative to provide proper economic motivation for customer usage matching to grid resources, reduce ramp up, and increase SVCE trusted advisor role.	
<b>Market</b>	Non-residential customers who utilized PDP.	
<b>Est. Launch</b>	9/1/2017	
<b>Goal</b>	100% of SVCE customers who request to opt-in	
<b>Description</b>	Provide interested SVCE commercial customers with an interim alternative to Peak Day Pricing (PDP). Via Opt-in only, SVCE customers may select the same Peak Day Pricing (PDP) mechanism previously offered by PG&E. Customers responding to event notices receive price reductions. SVCE Cost to supply electricity during peak events also reduces. SVCE will offer price protection to alleviate potential concerns if customer would have saved more than what SVCE's fully discounted rate would offer.	
<b>Stakeholder Engagement</b>	Current PG&E PDP customers, other CCAs	
<b>Budget / Reserve Fund</b>	Reserve thru Dec 2017: \$250,000 Reserve thru Dec 2018: \$300,000	
<b>Metrics</b>	Evaluate responsiveness to event signals. Compare cost of DR to existing fuel costs.	
<b>Exit Strategy</b>	As pricing migrates closer to real-time pricing, this may not be necessary. Low participation rates or satisfaction will drive this as well.	
<b>Criteria</b>	GHG Reduction: Medium Unit Cost: Low Grid Stability: High	Comm. Engagement: Medium Mrkt Transformation: Low Time to Value: Medium
<b>Resources</b>	Website update, Tariff sheet, PG&E data transfers	
<b>Program manager</b>	TBD	
<b>Marketing/outreach</b>	via Website and discussions with Account Managers	
<b>IT</b>	Interval data and data management via 3 <sup>rd</sup> party, as necessary	
<b>Accounting</b>	Process contract with 3 <sup>rd</sup> party provider, as necessary, and customer payments.	
<b>Approvals</b>	Board	

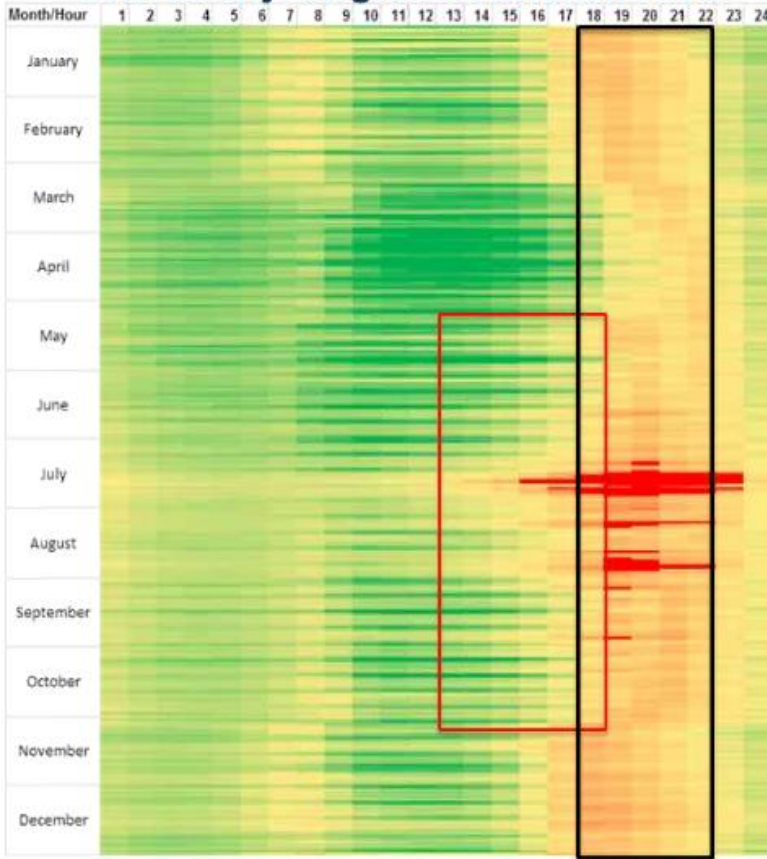


Related Information about demand management options:

<b>Capacity Bidding</b>	Day ahead or day of curtailment during utility Summer. SVCE provides a curtailment commitment. Reward/penalty system. SVCE customers can already do this with PG&E.
<b>Automated Demand Response</b>	Rebate for installing equipment needed for participating in DR programs.
<b>Permanent Load Shift</b>	Thermal energy storage (ice maker/chilled water storage). SVCE can do this with PG&E.
<b>Demand Response Auction Mechanism</b>	Sellers will bid aggregated demand response directly into the CAISO day-ahead energy market.
<b>Scheduled Load Reduction</b>	Pays you to reduce your electric load during pre-selected time periods that you specify in advance.
<b>Optional Binding Mandatory Curtailment</b>	Penalty based system with only reward being exemption from rotating blackout.
<b>Tariff companion</b>	Providing a tariff based on PG&E annual hourly costs - like real-time pricing.



### 2017 Hourly Marginal Generation Costs



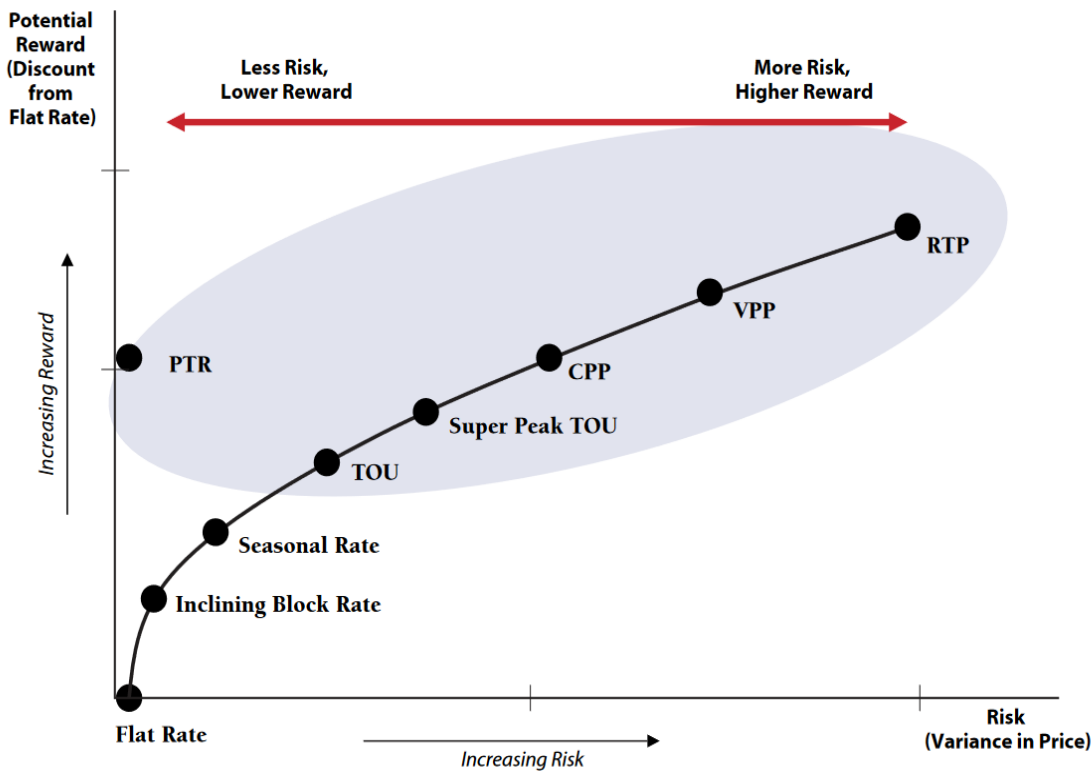
- Current Summer Non-Residential Peak
- Proposed Year Round Non-Residential Peak\*

\*Under consideration at CPUC

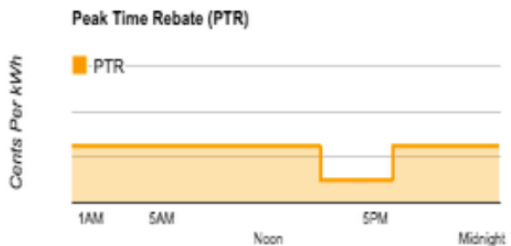
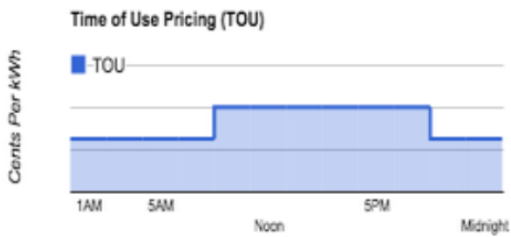
Detailed description of PG&E's GRC Marginal Energy Cost Model is in Chapter 2 testimony in Exhibit PG&E-9, Vol 1, available by searching for GRC Phase II Testimony from PG&E filed on 12/02/16 at <https://puc.ca.gov/evidence/search>



### Conceptual Representation of the Risk-Reward Tradeoff in Time-Varying Rates



Source: Faruqi et al., 2011





<b>Title</b>	<b>SVCE GHG Inventory Data and Metrics</b>	
<b>Program Class</b>	Foundational	
<b>Alignment</b>	Required to support Strategic Plan Goal #5: Work with the community to achieve energy and transportation-related GHG reductions of 30% from 2015 baseline by 2021	
<b>Strategy</b>	Strategy 5.1: Utilize local GHG data and key 'clean electric' operating measures to guide SVCE program activities 1) Document 2015 baseline GHG inventory data related to energy and transportation for the SVCE service territory, by January 2018; 2) Identify and document common Climate Action Plan (CAP) goals and measurement methods relevant to SVCE, and quantify penetration of related 'clean electric' infrastructure by Q1 2018; 3) Establish and document an initial set of SVCE 'clean electric' operating metrics and targets, where related to an SVCE program by Q1 2018; 4) Support local GHG accounting efforts and customer GHG accounting (e.g. Power Content Label)	
<b>Market</b>	For use by SVCE, and partnering jurisdictions	
<b>Est. Launch</b>	10/1/17	
<b>Goal</b>	Establish baseline energy and transportation-related emissions data and key metrics for the service territory, and processes for ongoing annual tracking	
<b>Description</b>	Retain expert consulting services to support initial definition of required inventory and metrics data, identification of activity data sources; tools and processes for annual collection, analysis, reporting and archiving; and development of initial datasets for 2015 baseline, and calendar year 2017.	
<b>Stakeholder Engagement</b>	Sustainability Managers, Public Works, Developers, Architects	
<b>Budget</b>	Thru Dec 2017: \$50,000 Thru Dec 2018: \$50,000	
<b>Metrics</b>	GHG emissions, storage capacity, DG, charging stations	
<b>Exit Strategy</b>	Ongoing need throughout SVCE service life	
<b>Criteria</b>	GHG Reduction: n/a Unit Cost: n/a Grid Stability: n/a	Comm. Engagement: Medium Mrkt Transformation: Medium Time to Value: Medium
<b>Resources</b>		
<b>Program manager</b>	0.25 FTE	
<b>Marketing/outreach</b>		
<b>IT</b>	Tools for developing and maintaining inventory data	
<b>Accounting</b>	Process contract with third parties, vendor payments	
<b>Approvals</b>	Board	



## SVCE CANDIDATE PROGRAM SUMMARIES

### Electrification

#### **Multi-Unit Dwelling (MUD)/Workplace EV Charging Assist**

**Goal:** Implement 200 charging points at 20 sites that are vetted for meter location, parking location, ADA, and feasibility.

**Summary:** PG&E is offering a "make-ready" EV charging program starting January 2018. MUDs and Workplaces will have to qualify for this program to participate. SVCE would like to maximize investment within our service area. Release Request for Qualifications (RFQs) for contractors capable of vetting customer locations for PG&E EV charge station program feasibility. SVCE will also offer assistance to customers in completing PG&E applications. Expected cost of \$1500-2000 per assessment, with an expected 50 sites participating.

**Projected Budget:** \$20,000 (2017); \$80,000 (2018)

#### **Heat Pump Water Heater Accelerator**

**Goal:** Install 200 Electric Heat Pump Water Heaters in 2018.

**Summary:** Phase 0 -- Investigate the existing barriers to market adoption of electric heat pump water heaters in both new construction and retrofit markets. Given existing economic benefits to forego natural gas, developers consistently install more expensive natural gas water heating systems. Residential market typically replaces gas unit with another gas unit. Develop program to install additional 200 units of HPWH in 2018.

**Projected Budget:** \$80,000 (2017); \$400,000 (2018)

#### **EV Accelerator**

**Goal:** Reduce GHG emissions and increase the market share of Electric Vehicles within our service area.

**Summary:** Phase 0 – Investigate existing barriers to adoption of both new and used electric vehicles from the dealer perspective as well as both market-rate and income-limited market segments. Develop program to escalate purchasing/leasing of new and used electric vehicles including managed charging potential.

**Projected Budget:** \$20,000 (2017); \$1,200,000 (2018)

#### **eBike Accelerator**

**Goal:** Increase usage of electric bikes for commuting and other purposes within our service area to reduce single occupancy vehicle usage.

**Summary:** Phase 0 – Investigate existing barriers to adoption of electric bicycles. Communicate with manufacturers, bike share companies, users and companies to understand potential solutions to increase market share of electric bicycles.

**Projected Budget:** \$30,000 (2017); \$50,000 (2018)

### **EV Seed Initiative**

**Goal:** Increase adoption of electric vehicles in under-represented markets.

**Summary:** Phase 0 – Investigate addressable market and market adoption barriers for EV drivers outside of the market-rate, single family residences that lead EV adoption. These include Multi-Unit Dwellings, mobile homes, disadvantaged areas, and longer commute requirements. Develop program to address these markets.

**Projected Budget:** \$50,000 (2017); \$100,000 (2018)

### **Demand Management**

#### **Commercial Demand Management**

**Goal:** Provide interested SVCE commercial customers with an interim alternative to Peak Day Pricing (PDP), and build longer-term SVCE capabilities to provide economic motivation to customers for usage that matches clean energy supply.

**Summary:** Via Opt-in only, SVCE customers may select the same Peak Day Pricing (PDP) mechanism previously offered by PG&E. Customers responding to event notices receive price reductions. SVCE Cost to supply electricity during peak events also reduces. SVCE will offer price protection to alleviate potential concerns if customer would have saved more than what SVCE's fully discounted rate would offer. Allow participation upon request from any non-residential customer who participated in PDP.

**Projected Budget:** \$300,000 (2017); \$300,000 (2018)

#### **Managed EV Charging**

**Goal:** Reduce GHG while improving grid stability by managing the demand of electric vehicle charging through smart Electric Vehicle Supply Equipment (ESVE).

**Summary:** Through one or more 3<sup>rd</sup> parties, promote, rebate and enlist a user-friendly automated home and workplace EVSE to shift charging demand away from peak periods.

**Projected Budget:** \$60,000 (2017); \$180,000 (2018)

#### **Connected Home Energy and Demand Management**

**Goal:** Reduce peak electricity demand during summer months, and natural gas use during winter months.

**Summary:** Through one or more 3<sup>rd</sup> party programs, enable existing smart thermostats in homes and small businesses to automatically make small adjustments to heating settings during the winter, and cooling settings during the summer – to reduce energy demand and associated carbon emissions, and to save participants money. Initial pilot program with Nest can begin as early as August 2017.

**Projected Budget:** \$100,000 (2017); \$130,000 (2018)



### **Large Scale Storage Study**

**Goal:** Investigate and understand various storage strategies.

**Summary:** Commission a study to understand impacts of placing storage at various grid locations – generation facility, substation, circuit-level, transformer and at customer site. Information gathered will be used for future SVCE storage opportunities.

**Projected Budget:** \$100,000 (2018)

### **Foundational Programs**

#### **DA Local Customer Pilot**

**Goal:** Enlist local Direct Access customers to SVCE generation service to increase market share and improve businesses' clean electricity content.

**Summary:** Establish new SVCE service model for providing electricity to DA customers, allowing customers to maintain their current DA status and vintage; DA service model may include new/distinct processes for data management, billing, partner participation (PG&E, SVCE suppliers and vendors), contracting and contractual obligations.

**Estimated Cost:** \$50,000 (2017); \$50,000 (2018)

#### **SVCE GHG Inventory Data and Metrics**

**Goal:** Establish baseline energy/transportation related emissions data and key metrics to improve/support ongoing annual GHG tracking.

**Summary:** Retain expert consulting services to support initial definition of required inventory and metrics data, identification of activity data sources; tools and processes for annual collection, analysis, reporting and archiving; and development of initial datasets for 2015 baseline, and calendar year 2017. Collect metrics on distributed generation, charging stations and storage throughout SVCE territory.

**Projected Budget:** \$50,000 (2017); \$50,000 (2018)

#### **Model Ordinances Adoption**

**Goal:** Draft template ordinances focused on electrification and decarbonization for our member communities to more easily adopt.

**Summary:** Enlist 3<sup>rd</sup> party expert to aid in the drafting of ordinances focused on regulations in the building and transportation sectors that will aid the adoption of green technologies and practices. Leveraging SVCE Board and member communities' Sustainability Managers; establish mechanism for ongoing evaluation and development.

**Projected Budget:** \$20,000 (2017); \$100,000 (2018)

#### **Commercial Education and Community Building**

**Goal:** Create a knowledge-sharing group of energy professionals on best practices and new tech to help make their businesses more efficient and carbon-free.

**Summary:** Host workshop series quarterly to share information about available or new technologies to improve energy efficiency, demand management and fuel-switching. The workshops consist of presentations, discussions and tours of projects and facilities of interest.

**Projected Budget:** \$5,000 (2017); \$20,000 (2018)

**Residential Education and Community Building**

**Goal:** Increase awareness and support of SVCE by residential customers.

**Summary:** Develop an education and engagement plan for residential customers on energy efficiency, energy management, and strategic electrification. Deliver key messaging to our communities through a variety of channels to ensure broad levels of general energy and sustainability knowledge and to facilitate local nodes focused on deeper levels of understanding.

**Projected Budget:** \$10,000 (2017); \$30,000 (2018)