



DATE: January 8, 2018

AGENDA ITEM # 3

**TO:** Environmental Commission

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

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

**RECOMMENDATION:**

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).

### **Implementation of SVCEA in the Los Altos Community**

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. Estimated cost information for both energy choices were discussed. By consensus, the Commission recommended Council to approve the opt-up GreenPrime choice for municipal operations.

At its January 10, 2017 meeting, Council approved to opt up to the purchase of GreenPrime electricity service for municipal operations. In addition, Council approved a Subordination Agreement required by SVCEA for purposes of banking and finance procedures.

Delivery of GreenPrime electricity service to City municipal operations commenced in April. Residential SVEA service also commenced in April followed by a second phase-in of remaining customers in July 2017. SVCE staff held an informational community meeting on June 21, 2017 at Hillview Community Center, and hosted tables at the Farmers' Market and at the Art & Wine event.

### **SVCEA Structure**

Throughout the summer and fall 2017, meetings of the SVCEA Sustainability Managers' Roundtable, SVCEA staff and managers presented 14 programs focused on reducing Greenhouse Gas Emissions. The Board of Directors meeting included a closed session to discuss the appointment of a new Chief Executive Officer.

In addition to conducting a search for a new Chief Executive Officer, the Board directed staff to compose a proposal focused on the creation of a consumer advisory board to source additional community feedback. The advisory board will consist of representatives from all 12 of the communities within the SVCE service area and will include commercial and residential consumers.

At its December 13, 2017 meeting, the SVCEA Board of Directors confirmed appointment of Mr. Girish Balachandran as the new CEO of the agency. Balachandran will begin employment on February 19, 2018. The Board also confirmed the appointment of 15 representatives from the SVCEA territory to serve on the Customer Program Advisory Group (CPAG). Environmental Commissioner Don Weiden was selected to serve as the City of Los Altos representative to the CPAG. City staff will continue to attend the SVCEA Sustainability Managers' Roundtable to represent the City's interest and will report monthly at the Environmental Commission meetings. Staff will also will continue to update and get input from SVCEA Director Bruins.

## **DISCUSSION**

At the September 28, 2017 SVCEA Sustainability Managers Roundtable, SVCEA staff stating it was combining the PIOs and Sustainability Managers into a single group, now termed the Member Agency Working Group (MAWG). SVCEA staff will continue to work with MAWG to source input and gather community information through various workshops and focus groups and will provide a formal accounting of MAWG meetings to the SVCEA Board of Directors.

At the October 26, 2017 meeting, SVCEA updated the MAWG on its recent activity, including the anticipated addition of the City of Milpitas to the SVCE territory. SVCE expects Milpitas to join the service area May 1, 2018. Milpitas will add 25,000 accounts and about 18% to the energy load. Gilee Corral from the City of Cupertino Office of Sustainability gave a presentation about a Community-Based Social Marketing research project they are conducting that explores how to address behaviors related to electrification. Finally, SVCEA staff provided an example of how they plan to apply established program criteria and metrics to new programs. The November 8, 2018 SVCEA Board of Directors meeting has been rescheduled to November 29, 2017.

At the November 30, 2017 MAWG meeting, SVCEA staff reported that the City of Milpitas adopted a resolution effectively electing to join the SVCE territory in May 2018. Applications for the Customer Program Advisory Group closed November 17, 2017. SVCE received and is reviewing 32 applications for the 15-member group which will meet monthly. Elaine Marshall, City of Sunnyvale, presented on Sunnyvale Climate Action Plan (CAP) 2.0, an update to the 2014 CAP. SVCEA staff also updated staff on analysis of program measurement criteria for voluntary incentives and the potential establishment of a model ordinance for mandatory measures that exceed California Title 24 minimum standards (Reach Codes). SVCEA staff will invite a Reach Code consultant to the next SVCEA MAWG meeting to further discuss the process of establishing a model ordinance and possible next steps. There was no scheduled MAWG meeting in December; the group will reconvene in January.

## **SVCEA Estimated/Anticipated SVCE Emission Factor**

After the SVCEA Board of Directors special meeting on 10/24, it was determined that there is a small amount of non-biogenic CO<sub>2</sub>e associated with the renewable biomass-based energy sources in the forecasted SVCE supply portfolio. Based upon preliminary calculations, SVCEA will maintain its

carbon free message, but have removed the 100%. Also, SVCEA is currently evaluating how it might join and/or utilize a voluntary carbon reporting methodology supported by The Climate Registry (TCR) for establishing 2017 emissions factor.

SVCEA Board of Directors established a Customer Program Advisory Group. Vice Chair Weiden was appointed as a member to the group in December 2017.

Attachments:

- A. SVCEA Board of Directors January 10, 2018 meeting agenda and selected materials (provided under separate cover)



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

Wednesday, January 10, 2018  
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

Marsha Grilli  
City of Milpitas

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

**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 December 13, 2017, Board of Directors Meeting
- 1b) Adopt Resolution Amending the SVCE Operating Rules and Regulations to Change the Date of the Annual Meeting and the Appointment of Officers and Committee Members and Conform the Provisions Regarding the Holding of Regular Meetings to Board Resolution Nos. 2016-14 and 2017-11
- 1c) Adopt Resolution Amending Conflict of Interest Code to Replace Position of Regulatory/Legislative Analyst with Manager of Regulatory & Legislative Affairs and Add Power Resource Planning & Programs Analyst
- 1d) Authorize CEO to Execute Master Agreement with Southern California Edison Company (SCE) to Enable Future Acquisition of Resource Adequacy Capacity
- 1e) Confirm Appointment of Milpitas Representative to Customer Program Advisor Group
- 1f) November 2017 Treasurer Report

Regular Calendar

- 2) Executive Committee Report (Discussion)

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

333 W El Camino Real  
Suite 290  
Sunnyvale, CA 94087

Rob Rennie, Chair  
Town of Los Gatos

3) **CEO Report (Discussion)**

4) **Recent Regulatory Developments (Discussion)**

Daniel Harney, Vice Chair  
City of Gilroy

5) **Report by General Counsel of Conflict of Interest Question Concerning  
ZGlobal (Discussion)**

Liz Gibbons  
City of Campbell

Board Member Announcements and Direction on Future Agenda Items

Rod Sinks  
City of Cupertino

Adjourn

Jeannie Bruins  
City of Los Altos

Courtenay C. Corrigan  
Town of Los Altos Hills

Marsha Grilli  
City of Milpitas

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

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Pursuant to the Americans with Disabilities Act, if you need special assistance in this meeting, please contact the Clerk for the Authority at (408) 721-5301 x1005. Notification 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.105 ADA Title II).




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**Staff Report – Item 3**

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To: Silicon Valley Clean Energy Board of Directors

From: Donald Eckert, Interim CEO

**Item 3: CEO Report**

Date: 1/10/2018

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**REPORT**

**BAAQMD Meeting**

On December 14, 2017, SVCE staff met with members of the Bay Area Air Quality Management District to discuss possible partnerships with both parties having a goal to reduce greenhouse gas emissions. This was an introductory session. A follow up meeting will occur in the next few months.

**Implementation Plan and Statement of Intent**

Per Board's approval at the December Board meeting, Addendum No. 1 to the SVCE Implementation Plan and Statement of Intent was submitted on December 20.

**Long-Term Power Supply RFP Update**

Negotiations began with the three power suppliers selected from the RFO process. Staff projects to conclude negotiations and present contracts for Board approval over the next 2-4 months.

**Financial Audit Update**

The financial audit is progressing on schedule. A draft report will be presented by the external auditor at the January 31, 2018 Audit and Finance Committee Meeting.

**Vacant Position**

The Community Outreach Coordinator position, which is budgeted as a contingent position, has been vacated. SVCE has posted the opening on the website.

**Member Agency Loan and Revolving Line of Credit**

The outstanding balance on the Revolving Line of Credit was paid in December. Staff is currently coordinating payment of the loan with each member's finance department with the process concluding by the end of next week.

**CPUC Draft Resolution E-4907**

As reported during the holiday week, the Draft Resolution E-4907, which impacts SVCE by delaying the City of Milpitas until January 2019, was moved from January 11<sup>th</sup> to February 8<sup>th</sup>.

**Audit and Finance Committee Member Update**

Dir. Cortese has submitted his resignation as a committee member of the Audit and Finance Committee (see attached). Staff is planning to keep the seat vacant for the January 31 meeting.

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The discussion of the group's composition and who may serve as representatives will be a topic at the January 31 Audit & Finance Committee meeting, and will be brought to the Board for consideration in February.

Appointment for this committee will also be done at the February Board meeting.

**CPAG Inaugural Meeting**

The first meeting of the Customer Program Advisory Group (CPAG) will take place on Wednesday, January 17 from 11 a.m. – 1 p.m. at the Quinlan Community Center, Social Room in Cupertino. The agenda will be posted on Friday, January 12. A draft timeline for the CPAG is attached to this report.

SVCE is hosting an "SVCE 101" workshop for members of the CPAG on Saturday, February 3. The location and time are to be announced. The new director and alternate director from Milpitas have been invited, and current board members are also invited to attend (please let us know if you are planning on attending). More details will be provided.

**2018 State of the Valley Conference**

SVCE is again sponsoring a table at Joint Venture Silicon Valley's State of the Valley Conference on February 9 at the San Jose Convention Center. This annual event discusses the challenges and opportunities in the valley. There are six seats available to directors at our table. Please contact the Board Clerk, Andrea Pizano, to reserve one of these seats by Wednesday, January 31. SVCE will also have an exhibit table at this year's event.

**CEO Agreements Executed**

The following agreements have been executed by the CEO, consistent with the authority delegated by the Board:

- 1) ArchiveSocial, Inc.: Agreement for online software to assist in capturing and archiving records of online social media communications, \$2,388.
- 2) Employee Relations, Inc.: Agreement for human resource risk management services including background checks for potential employees.

**ATTACHMENTS**

1. CalCCA Letter to CPUC re: Draft Resolution E-4907
2. Regulatory/Legislative Update, January 2018
3. Community Outreach Update, January 2018
4. Agenda Planning Document, January 2018 – June 2018
5. Dir. Cortese Resignation Letter for Audit and Finance Committee
6. **CPAG Draft Timeline**



