



WESTERN COMMUNITY ENERGY

YOUR NEIGHBORHOOD POWER AUTHORITY

Western Community Energy Board of Directors

AGENDA

Wednesday, September 26, 2018
1:00 p.m.

Western Riverside Council of Governments
3390 University Avenue, Suite 450
Citrus Room
Riverside, CA 92501

In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if special assistance is needed to participate in the Board of Directors meeting, please contact WRCOG at (951) 405-6703. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting. In compliance with Government Code Section 54957.5, agenda materials distributed within 72 hours prior to the meeting which are public records relating to an open session agenda item will be available for inspection by members of the public prior to the meeting at 3390 University Avenue, Suite 450, Riverside, CA, 92501.

The Board of Directors may take any action on any item listed on the agenda, regardless of the Requested Action.

- 1. CALL TO ORDER / ROLL CALL**
- 2. PLEDGE OF ALLEGIANCE**
- 3. SPECIAL PRESENTATION - Councilmember Diana Mahmud, City of South Pasadena**
- 4. PUBLIC COMMENTS**

At this time members of the public can address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors that are not separately listed on this agenda. Members of the public will have an opportunity to speak on agendized items at the time the item is called for discussion. No action may be taken on items not listed on the agenda unless authorized by law. Whenever possible, lengthy testimony should be presented to the Board of Directors in writing and only pertinent points presented orally.

- 5. MINUTES**

P. 1

- A. Summary Minutes from the September 19, 2018, Board of Directors Meeting are Available for Consideration (to be distributed under separate cover)**

Requested Action: 1. Approve the Summary Minutes from the September 19, 2018, Board of Directors meeting.

6. REPORTS / DISCUSSION

A. Discussion of Inputs for Financial Modeling *Gary Saleba, EES Consulting* P. 3
Jeff Fuller, The Energy Authority

Requested Action: 1. Discuss and provide direction.

B. Program Schedule Update *Barbara Spoonhour* P. 7

Requested Action: 1. Receive and file.

C. Regulatory and Legislative Update *Barbara Spoonhour* P. 9

Requested Action: 1. Receive and file.

7. REPORT FROM THE EXECUTIVE DIRECTOR *Rick Bishop*

8. ITEMS FOR FUTURE AGENDAS *Members*

Members are invited to suggest additional items to be brought forward for discussion at future Board of Directors meetings.

9. GENERAL ANNOUNCEMENTS *Members*

Members are invited to announce items / activities which may be of general interest to the Board of Directors.

10. NEXT MEETING: **The next Board of Directors meeting is scheduled for Wednesday, October 10, 2018, at 1:00 p.m., at the Western Riverside Council of Governments, Citrus Conference Room, 3390 University Avenue, Suite 450, Riverside.**

11. ADJOURNMENT



Western Community Energy Board of Directors

STAFF REPORT

Subject: Special Presentation – Councilmember Diana Mahmud, City of South Pasadena

Contact: Barbara Spoonhour, Deputy Executive Director - Operations,
bspoonhour@wrcog.us, (951) 405-6760

Date: September 26, 2018

The purpose of this item is to receive a presentation from Councilmember Diana Mahmud, City of South Pasadena related to the formation of Clean Power Alliance (CPA), a community choice aggregation program that is established for jurisdictions in Los Angeles County. The WCE Board of Directors has expressed a desire to hear from elected officials who have participated in CCA formation throughout the state; this is the first presentation to respond to this request, and staff will work to schedule additional presentations for future meetings.

REQUESTED ACTION:

- i. Receive and file.

The City of South Pasadena is a member of Los Angeles County’s CCA Program, Clean Power Alliance (CPA). Councilmember Diana Mahmud is the current Chair of CPA and she will present on why her City joined CPA, and her experience working with a CCA.

Councilmember Mahmud was elected to the South Pasadena City Council in November 2013 and is a former Mayor. Councilmember Mahmud is her City’s delegate to the San Gabriel Valley Council of Governments and is immediate past Chair of its Water Policy Committee. Councilmember Mahmud is her City’s delegate to the Board of the Clean Power Alliance and serves as its Chair.

Councilmember Mahmud is retired from the Metropolitan Water District of Southern California (MWD) where she provided legal advice on a wide variety of contracts and construction projects. Councilmember Mahmud also participated in the development and negotiation of tariffs and other documents for California’s electric industry restructuring, represented MWD in numerous proceedings at the Federal Energy Regulatory Commission, and negotiated complex agreements regarding all aspects of MWD’s energy operations. Councilmember Mahmud also represented MWD in proceedings before the California Public Utilities and Energy Commissions. Councilmember Mahmud started her career in the electric utility industry at the Los Angeles Department of Water and Power where she negotiated generation and transmission agreements and litigated complex construction matters. Councilmember Mahmud holds a Bachelor of Arts degree in economics from UCLA, and a Juris Doctor degree from UC Davis.

PRIOR ACTION:

None.

FISCAL IMPACT:

This item is for informational purposes only; therefore, there is no fiscal impact.

ATTACHMENT:

None.

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Western Community Energy Board of Directors

STAFF REPORT

Subject: Discussion of Inputs for Financial Modeling

Contact: Gary Saleba, President/CEO, EES Consulting, saleba@eesconsulting.com, (425)889-2700
 Jeff Fuller, Director, Client Services, The Energy Authority, jfuller@teainc.org, (425) 460-1110

Date: September 26, 2018

The purpose of this item is to provide information to the Board of Directors regarding inputs for the financial modeling that will form the basis of the updated projections. Inputs include product offerings (energy mixes), greenhouse gas emission and rate savings goals, and potential future reserve targets.

REQUESTED ACTION:

- i. Discuss and provide direction.

This item is reserved for a presentation from Gary Saleba, EES Consulting, and Jeff Fuller, The Energy Authority, for the Board of Directors to discuss and provide guidance on inputs to the financial modeling that will be used to form the basis of the updated projections to be shared at the October 10, 2019 meeting. The presentation will engage the Directors in a discussion on what types of products (energy mix) should be offered at Program launch, what goals the Directors want to set in regards to greenhouse gas reduction and rate savings, and finally, a discussion on what the potential Program reserve targets should be.

The state has sent mandates through the Renewable Portfolio Standard (RPS) that outline how much renewable energy each load serving entity must acquire by a specified date. Recently, with the chaptering of Senate Bill 100, the RPS structure has been increased. The new RPS structure is 33% Clean Energy by 2020, 60% by 2030, and 100% by 2045.

Since WCE would launch in 2020, the minimum standard we could offer would be 33%. By 2021, the minimum portfolio will need to be 35.7% renewable and increase roughly 2.7% each year to hit 60% by 2030. Staff recommends that the Board consider building in a cushion to meet these mandates. The team will discuss with the Board whether to offer a higher energy mix and what the financial implications would be for doing so.

To guide the discussion, staff has outlined Southern California Edison's (SCE's) 2017 power mix and has provided an outline of what existing CCAs are offering.

What are SCE's products (energy mix)? SCE offers its normal power mix (32%), along with a 50% and 100% green power mixes. The rates associated with the 50% and 100% renewable mixes are offered to consumers at a premium. For 2017, SCE has reported to the California Energy Commission that its power mix is 32%. Just like a CCA, SCE will need to increase to 33% by 2020 to meet the RPS mandates.

2017 POWER CONTENT LABEL				
Southern California Edison				
ENERGY RESOURCES	SCE Power Mix	SCE Green Rate 50% option	SCE Green Rate 100% option	2017 CA Power Mix**
Eligible Renewable	32%	66%	100%	29%
Biomass & biowaste	0%	0%	0%	2%
Geothermal	8%	4%	0%	4%
Eligible hydroelectric	1%	1%	0%	3%
Solar	13%	56%	100%	10%
Wind	10%	5%	0%	10%
Coal	0%	0%	0%	4%
Large Hydroelectric	8%	4%	0%	15%
Natural Gas	20%	10%	0%	34%
Nuclear	6%	3%	0%	9%
Other	0%	0%	0%	<1%
Unspecified sources of power*	34%	17%	0%	9%
TOTAL	100%	100%	100%	100%
* "Unspecified sources of power" means electricity from transactions that are not traceable to specific generation sources.				
** Percentages are estimated annually by the California Energy Commission based on the electricity sold to California consumers during the identified year.				
For specific information about this electricity product, contact:		Southern California Edison 1-800-655-4555		
For general information about the Power Content Label, please visit:		http://www.energy.ca.gov/pcl/		
For additional questions, please contact the California Energy Commission at:		844-454-2906		

What are other CCAs offering? The below chart outlines what each of the existing CCAs are offering their communities. This chart will be used to guide the discussion on what energy mixes the Board would like to offer its community and what energy mixes will be used in the financial modeling.

CCAs	Default Product	Optional Products	Service Territory
Marin Clean Energy	Light Green – 50% renewable	Deep Green – 100% renewable	PG&E
Sonoma Clean Power	CleanStart – 45% renewable	EverGreen – 100% renewable	PG&E
Lancaster Choice Energy	Clear Choice – 35% renewable	Smart Choice – 100% renewable	SCE
CleanPowerSF	Green–43% renewable	SuperGreen – 100% renewable	PG&E
Peninsula Clean Energy	EcoPlus – 50% renewable	Eco100 – 100% renewable	PG&E
Silicon Valley Clean Energy	GreenStart – 50% renewable	GreenPrime – 100% renewable	PG&E
Redwood Coast Energy Authority	RePower – 42% renewable	RePower+ – 100% renewable	PG&E
Monterey Bay Community Choice	MBChoice – content not defined	MBGreen+ – content not defined	PG&E

Valley Clean Energy	Light Green – 42% renewable	Ultra Green – 100% renewable	PG&E
San Jacinto Power	Prime Power – 35% renewable	Puregreen – 100% renewable	SCE
Rancho Mirage Energy Authority	Basic Choice – 35% renewable	Premium Renewable Choice – 100% renewable	SCE
Apple Valley Choice Energy	CoreChoice – 35% renewable	MoreChoice – 50% renewable YourChoice – 100% renewable	SCE
Clean Power Alliance	36% renewable service	50% renewable service 100% renewable service	SCE
Pioneer Community Energy	Not defined	N/A	PG&E
Pico Rivera Innovative Municipal Energy	PrimePower – 50% renewable	PrimeFuture – 100% renewable	SCE
San Jose Clean Energy	Greensource – 40% renewable	Totalgreen – 100% renewable	PG&E

Potential Product Names: Once the members have decided on the type of energy mixes, the next step is to associate product names. In working with The Creative Bar, the following product names and potential descriptions have been developed for Board review and discussion.

Community Standard

This plan is our most economical and uses **XX%** renewable energy.

Community Choice

This plan utilizes **50%** renewable energy for about the cost you're paying now.

Community Choice PLUS

This plan will give you the opportunity to use **100%** renewable energy at a competitive cost.

PRIOR ACTION:

None.

FISCAL IMPACT:

This item is for informational purposes only; therefore, there is no fiscal impact.

ATTACHMENT:

None.

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Western Community Energy Board of Directors

STAFF REPORT

Subject: Program Schedule Update

Contact: Barbara Spoonhour, Deputy Executive Director - Operations,
bspoonhour@wrcog.us, (951) 405-6760

Date: September 26, 2018

The purpose of this item is to provide an update on the Program Schedule.

REQUESTED ACTION:

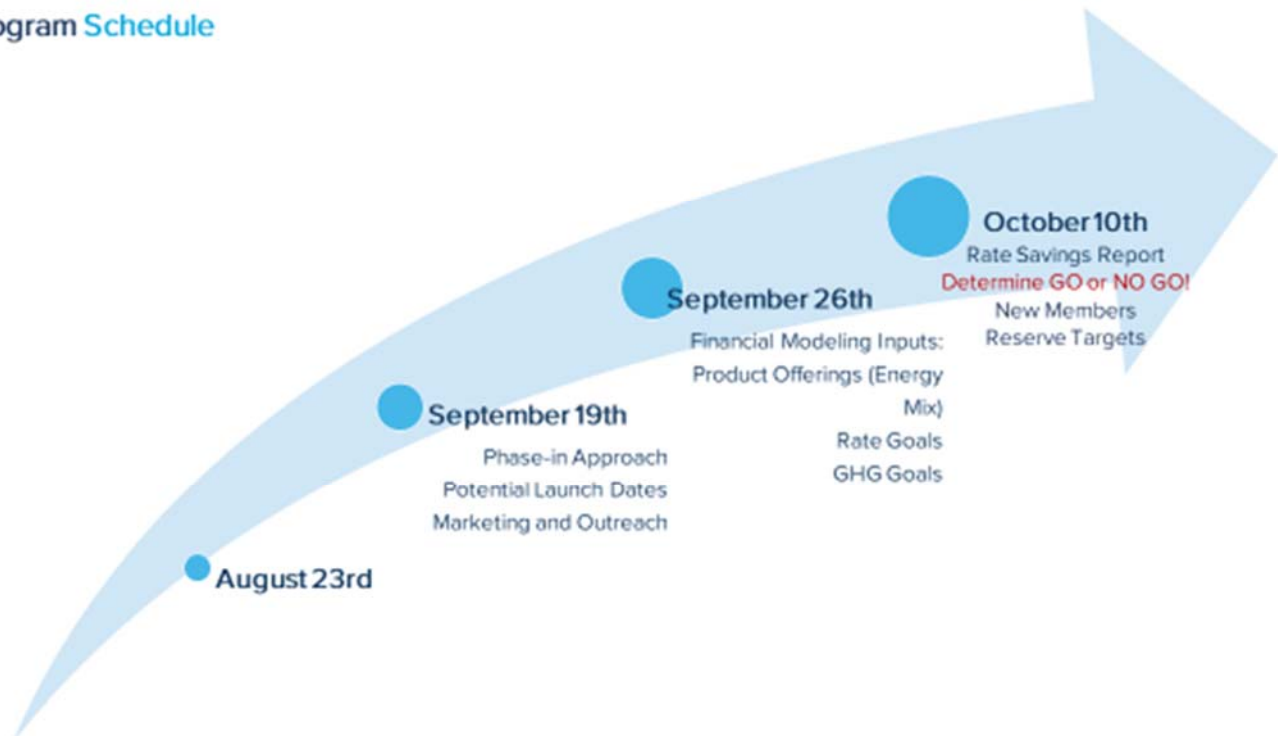
- I. Receive and file.

Background: On September 19, 2018, staff provided a presentation regarding the Program Schedule. The following provides a listing the topics that will be covered during the next few meetings and what needs to occur if the Board of Directors authorizes submittal of the Implementation Plan, which is anticipated to occur at the October 10, 2018, meeting.

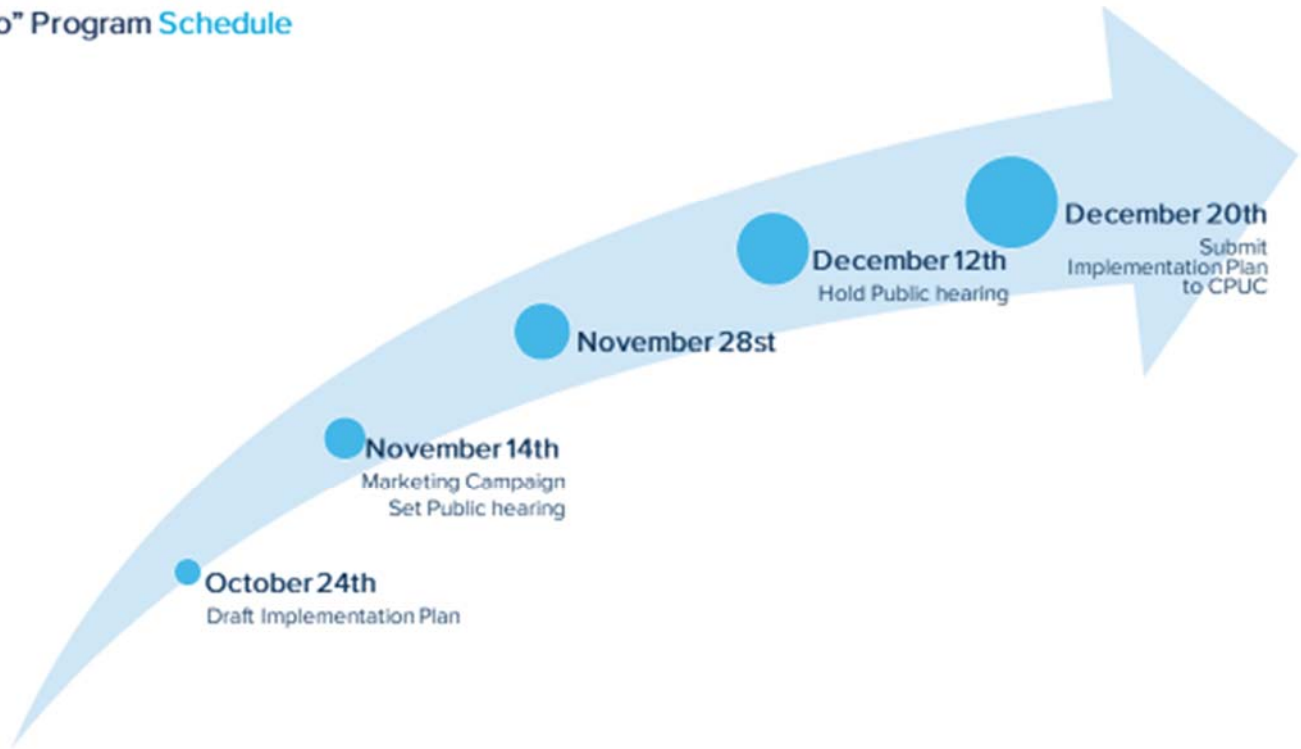
COMMUNITY CHOICE SEPARATION PROGRAM



Program Schedule



"Go" Program Schedule



PRIOR ACTION:

September 19, 2018: The Board of Directors received and filed.

FISCAL IMPACT:

This item is for informational purposes only; therefore, there is no fiscal impact.

ATTACHMENT:

None.



Western Community Energy Board of Directors

STAFF REPORT

Subject: Regulatory and Legislative Update

Contact: Barbara Spoonhour, Deputy Executive Director - Operations,
bspoonhour@wrcog.us, (951) 405-6760

Date: September 26, 2018

The purpose of this item is to provide an update on recent regulatory and legislative activities that have occurred that may affect WCE and other CCAs.

REQUESTED ACTION:

I. Receive and file.

This is placeholder in the event staff needs to provide or needs an action from members regarding any recent regulatory and / or legislative activities that have occurred since the last Board of Directors meeting.

PRIOR ACTION:

September 19, 2018: The Board of Directors received and filed.

FISCAL IMPACT:

This item is for informational purposes only; therefore, there is no fiscal impact.

ATTACHMENT:

None.

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