

**Western Community Energy  
Joint Meeting of the Board of Directors and  
Technical Advisory Committee  
February 12, 2020  
Summary Minutes**

**Item 4.A**

**1. CALL TO ORDER / ROLL CALL**

The Joint Meeting of the Board of Directors and Technical Advisory Committee was called to order at 1:25 p.m. by Chair Ben Benoit at the WRCOG's office, Citrus Conference Room.

**Board of Directors present:**

Todd Rigby, City of Eastvale  
Russ Brown, City of Hemet  
Chris Barajas, City of Jurupa Valley  
Ted Hoffman, City of Norco  
Rita Rogers, City of Perris (2:20 p.m. departure)  
Ben Benoit, City of Wildomar (Chair)

**Technical Advisory Committee Members present:**

Bryan Jones, City of Eastvale  
Rod Butler, City of Jurupa Valley  
Andy Okoro, City of Norco  
Clara Miramontes, City of Perris  
Gary Nordquist, City of Wildomar

**Staff present:**

Steve DeBaun, Legal Counsel, Best Best & Krieger  
Rick Bishop, WRCOG Executive Director  
Barbara Spoonhour, WRCOG Deputy Executive Director - Operations  
Andrew Ruiz, WRCOG Chief Financial Officer  
Janis Leonard, WRCOG Administrative Services Manager  
Tyler Masters, WRCOG Program Manager  
Suzy Nelson, Administrative Assistant  
Anirudhha Dhruva, WRCOG Intern

**Guests present:**

Ryan Baron, Legal Counsel, Best Best & Krieger  
Glen Price, Legal Counsel, Best Best & Krieger  
Craig Martin, Pilot Power

**2. PLEDGE OF ALLEGIANCE**

Director Todd Rigby led the Board and Committee members, staff, and guests in the Pledge of Allegiance.

**3. PUBLIC COMMENTS**

There were no public comments.

**4. MINUTES** - (Perris / Jurupa Valley) 6 yes; 0 no; 0 abstention. Item 4.A was approved. The City of Canyon Lake was not present.

**A. Summary Minutes from the January 8, 2020 , Joint Meeting of the Board of Directors and Technical Advisory Committee are Available for Consideration.**

**Action:** 1. Approved the Summary Minutes from the January 8, 2020, Joint Meeting of the Board of Directors and Technical Advisory Committee.

**5. CONSENT CALENDAR** - (Norco / Perris) 6 yes; 0 no; 0 abstention. Items 5.A through 5.E were approved. The City of Canyon Lake was not present.

**A. Financial Summary Update**

**Action:** 1. Received and filed.

**B. Program Schedule Update**

**Action:** 1. Received and filed.

**C. Marketing and Outreach Activities Update**

**Action:** 1. Received and filed.

**D. Regulatory and Legislative Activities Update**

**Action:** 1. Received and filed.

**E. Access to Online Dashboard**

**Action:** 1. Adopted Resolution No. 2020-03: A Resolution of the Board of Directors of Western Community Energy Providing Access of the “Tableau” Online Dashboard to the WCE Board of Directors and Technical Advisory Committee Members.

**6. REPORTS / DISCUSSION**

**A. Authorization for Western Community Energy 's First Fixed Energy Contract**

Barbara Spoonhour reported that a Request for Offer was released on January 10, 2020, and closed January 20, 2020. Five companies were short-listed:

1. TransAlta Energy Marketing
2. Morgan Stanley Capital Group, Inc.
3. Exelon Energy Company, LLC
4. BP Energy Company
5. Shell Energy North America, LP

Craig Miller, Pilot Power, reported that when counter parties and buyers enter into a contractual obligation, it is called a Master Enabling Agreement. These agreements often require execution within minutes or hours because energy is a commodity. A total of seven bids were received; however, two did not meet the needs of WCE. Two are unable to submit the necessary paperwork on time, which leaves WCE with three providers to choose from. The first Agreement will be executed tomorrow, and WCE will be off and running, under budget.

Ryan Barron reported that being presented for approval today is an Edison Electric Institute (EEI)

Master Agreement - the contract to purchase power - in draft form, 98% complete. Final edits are close to being made.

Director Todd Rigby asked what this EEI Agreement fulfills for WCE percentage wise as far as requirements.

Mr. Miller responded that it is approximately 50% of what WCE needs. We are waiting for Southern California Edison to provide the final load data. The remainder, likely up to 90%, will be acquired within the next couple of weeks.

Ms. Spoonhour added that there were high assumptions in the proformas, and the offers are coming in under budget. Any difference will be applied to Agency reserves or used to implement programs as this Board determines.

- Actions :**
1. Adopted Resolution No. 2020-04: A Resolution of the Board of Directors of Western Community Energy Approving a Power Purchase Agreement and Associated Lockbox Agreements.
  2. Approved Edison Electric Institute Master Agreement (“Master Agreement”) and Confirmation between Western Community Energy and a shortlisted energy service provider.
  3. Approved Deposit Account Control Agreement, Security Agreement, and Intercreditor and Agency Collateral Agreement (“Lockbox Agreements”).
  4. Authorized the Executive Director, or designee, to execute the Master Agreement and Confirmation, in substantially similar form as approved by legal counsel.
  5. Authorized the Executive Director, or designee, to execute the Lockbox Agreements, in substantially similar form as approved by legal counsel.

(Eastvale / Jurupa Valley) 6 yes; 0 no; 0 abstention. Item 6.A was approved. The City of Canyon Lake was not present.

## **B. Discussion on Adding New Members**

Barbara Spoonhour reported that in terms of the rate savings there is no real savings in adding new members; however, administration costs would be more spread out. The real benefit is an increased voice in the legislature in Sacramento and with the California Public Utilities Commission in San Francisco. It also brings in more revenues, which will build reserves and start programs sooner.

As to potential jurisdictions, there are eight within the WRCOG subregion that could join. Orange County has approximately ten jurisdictions looking into a Community Choice Aggregation (CCA) Program.

Apple Valley in San Bernardino County is the only jurisdiction in that County that is currently part of a CCA.

Matters to consider in bringing on new jurisdictions: distance, governing board voting structure, unfamiliarity with jurisdictions outside of the WRCOG subregion.

Ms. Spoonhour reviewed information regarding the other CCAs operating throughout the state and how costs are managed with the onboarding of new jurisdictions as well as additional requirements that would need to be met.

Staff could either prepare formal letters, to be signed by the Chair and/or Vice-Chair, to send to non-participating jurisdictions, or wait for jurisdictions to approach WCE. Jurisdictions would need to join by October 1 of any given year, and it would be two years before that jurisdiction would be able to participate.

Chair Ben Benoit asked of all the operational CCAs, which are adding the newest members.

Ms. Spoonhour responded that Monterey Bay is adding the most, looking to operate down to Ventura County.

Director Ted Hoffman asked how long the other CCAs were operational before adding new member jurisdictions.

Ms. Spoonhour responded that it varies from several months to several years.

Director Hoffman asked if the \$10k fee to join, which would cover staffing costs to prepare for the onboarding of the new jurisdiction, would be refunded to the jurisdiction should it decide not to join.

The Board members discussed and felt that that \$10k should not be returned to the jurisdiction should it change its mind, because of staff time involved, even if the jurisdiction is within WRCOG's subregion. Additionally, staff should not seek jurisdictions outside of the WRCOG subregion at this time. The Board members agreed that once WCE begins to receive revenues, we could revisit this item and look to sending out information to additional jurisdictions in late summer.

Director Hoffman indicated that the savings experienced in such a short timeframe could be a selling point for new jurisdictions.

Ms. Spoonhour added that WCE should begin receiving revenues in June 2020 from the April 2020 launch.

**Action:** 1. Received and filed.

### C. Program Launch Update

Tyler Masters reported that pre-enrollment mailers have been sent to the communities in the first three cities (Norco, Perris, and Wildomar) scheduled to launch April 1, 2020. For the cities launching May 1, 2020 (Eastvale, Hemet, and Jurupa Valley), those communities will begin receiving pre-enrollment notifications in early March 2020. Solar customers within the subregion may also be receiving notifications now. Staff will continue making presentations to city councils upon request. Props were designed for use and display in member jurisdictions' City Halls and contain marketing and informational materials, including WCE call center information.

The WCE call center went live on February 3, 2020, and is open 7:00 a.m. to 7:00 p.m. Monday through Friday; the number is 866-356-4175. After hours and weekend calls are prompted through an interactive messaging system. Southern California Edison (SCE) and WCE call centers do communicate with each other.

The first week's summary on opt-outs for WCE show a total of 246 calls with 189 opted out, which is only approximately half of a percent. Proformas are looking at a 15% opt-out rate. In comparison, Los Angeles County's Community Choice Aggregation (CCA) Program has 32 cities, and its opt-out range is between 1% and 14% by city. The average opt-out rate is 3.5%. WCE is in-line with opt-outs. The major reason for WCE opt-outs is due to the dislike of automatically being enrolled, which staff was prepared for.

WCE's website has been revamped to include all of the launch information.

A new Program Manager was hired to focus on key commercial accounts; that staff member begins next week.

Director Russ Brown asked if staff had the numbers of other CCA Programs in which the customer opted-out but then opted back in later.

Mr. Masters responded that he did not have that information but could get it.

Director Ted Hoffman asked how the launch and automatic opt-in to WCE affects solar customers.

Chair Ben Benoit added that one matter that should be addressed on the website is the fact that the local jurisdiction / WCE is not making money off of this Program - extra revenues are going towards reserves which will be used for future programs. Chair Benoit also asked staff to research what the cost would be to have a thermostat program.

Mr. Masters indicated that there are certain customers in certain SCE programs that staff will be providing courtesy letters to inform the residents on how they may or may not be impacted and how that affects their enrollment with WCE.

SCE has 18 green customers. SCE's 100% green energy program comes at a 2.7¢ premium, while WCE's is 1.5¢.

Over 10% of WCE customers are solar customers; their enrollment will be based upon their annual True-Up.

**Action:** 1. Received and filed.

**D. Establishment of Additional and Administrative Changes to the Generation Rates for Calendar Year 2020**

Tyler Masters reported that in January 2020 this Board adopted a resolution establishing its first set of rates. In working with Southern California Edison (SCE) it was determined that there were a number of rates to include - mostly SCE's grandfathered rates. If WCE enrolls customers with SCE grandfathered rates, WCE needs to have those rates. The resolution being presented today includes those grandfathered rates.

**Action:** 1. Adopted Resolution No. 2020-05: A Resolution of the Board of Directors of Western Community Energy adopting an updated Rate Schedule and rescinding Resolution No. 2020-01.

(Hemet / Norco) 6 yes; 0 no; 0 abstention. Item 6.D was approved. The Cities of Canyon Lake and Perris were not present.

**7. REPORT FROM THE EXECUTIVE DIRECTOR**

Rick Bishop had no report.

**8. ITEMS FOR FUTURE AGENDAS**

Chair Ben Benoit asked for a presentation on scouring and responding to social platform postings.

**9. GENERAL ANNOUNCEMENTS**

Director Ted Hoffman indicated that his City Council is receiving a high number of comments and questions from its constituents who have received the pre-enrollment notifications.

**10. NEXT MEETING :** The next Joint Meeting of the Board of Directors and Technical Advisory Committee is scheduled for Wednesday, March 11, 2020, at 1:00 p.m., at the Western Riverside Council of Governments' Office, 3390 University Avenue, Suite 200, Riverside.

**11. ADJOURNMENT :** The Joint Meeting of the Board of Directors and Technical Advisory Committee adjourned at 2:34 p.m.

