

**Western Community Energy  
Joint Meeting of the Board of Directors and  
Technical Advisory Committee  
April 8, 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 1:05 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 (2:15 p.m.)  
Chris Barajas, City of Jurupa Valley  
Ted Hoffman, City of Norco  
Rita Rogers, City of Perris  
Ben Benoit, City of Wildomar (Chair)

**Technical Advisory Committee Members present:**

Bryan Jones, City of Eastvale (1:10 p.m. arrival)  
Chris Lopez, City of Hemet  
Rod Butler, City of Jurupa Valley  
Andy Okoro, City of Norco  
Clara Miramontes, City of Perris

**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  
Don Ries, WRCOG Program Manager  
Suzy Nelson, WRCOG Administrative Assistant

**Guests present:**

Glen Price, Best Best & Krieger  
Denis Vermette, Pilot Power Group

**3. PUBLIC COMMENTS**

There were no public comments.

**4. MINUTES** - (Perris / Norco) 5 yes; 0 no; 0 abstention. Item 4.A was approved. The Cities of Canyon Lake and Hemet were not present.

**A. Summary Minutes from the March 11, 2020, Joint Meeting of the Board of Directors and Technical Advisory Committee are Available for Consideration.**

**Action:** 1. Approved the Summary Minutes from the March 11, 2020, Joint Meeting of the Board of Directors and Technical Advisory Committee.

**5. CONSENT CALENDAR** - (Perris / Jurupa Valley) 5 yes; 0 no; 0 abstention. Items 5.A through 5.D were approved. The Cities of Canyon Lake and Hemet were 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.

**6. REPORTS / DISCUSSION**

**A. Western Community Energy 's Second Fixed Energy Contract Update and Enabling Agreements to add Additional Energy Providers**

Barbara Spoonhour reported that staff continues to engage new power suppliers and is requesting the approval of the enabling of Direct Energy so that Direct Energy can bid on upcoming solicitations. A Request for Offer (RFO) was recently released for the purchase of power through the end of June 2021. Five bids were received and the company TransAlta was selected.

Over the next couple of months, a number of RFOs will be release for renewable energy products; 65% of WCE's energy contract has to be for a period of ten-years or longer. Staff will update the Board of any contracts requiring approval.

**Actions:**

1. Adopted Resolution No. 2020-07: A Resolution of the Board of Directors of Western Community Energy Approving a Power Purchase Agreement.
2. Approved an Edison Electric Institute Master Agreement ("Master Agreement") and Confirmation between Western Community Energy and Direct Energy.

(Perris / Jurupa Valley) 5 yes; 0 no; 0 abstention. Item 6.A was approved. The Cities of Canyon Lake and Hemet were not present.

**B. Approval of 3rd Quarter Agency Budget Amendment for Fiscal Year 2019/2020**

Andrew Ruiz reported that the budget amendment reflects anticipated revenues and expenditures for the remainder of Fiscal Year 2019/2020 and represent a 2% savings on customers' bills overall.

The downfall account reserve was increased from .5% to 1% in the anticipation of any COVID-19 impacts.

Denis Vermette reported that supply transactions have occurred with Morgan Stanley, BP, and TransAlta; costs for megawatt hours are well below what was anticipated. Prices are currently suppressed due to COVID-19 so WCE is getting really good prices right now. WCE is matching the anticipated load necessities with the transactions and following the Risk Management Policy ensuring it's up to 90% of the hedge.

Director Todd Rigby asked how staff came to the .5% increase for the downfall account reserve and asked if this is an in direct response to the current health crisis.

Mr. Vermette responded that this is a standard rate and is in response to the current health crisis. Director Chris Barajas asked for clarification that expenditures are currently \$1M higher than revenues.

Mr. Ruiz responded that while the numbers are upside down right now, they will smooth out over the course of two or three years.

Mr. Vermette added that given the launch time frame, WCE is having to pay / procure Resource Adequacy (RA) for the entire year; this is just the nature of the CCA and how RA works.

**Action:** 1. Approved the 3rd Quarter Budget Amendment for Fiscal Year 2019/2020.

(Jurupa Valley / Norco) 5 yes; 0 no; 0 abstention. Item 6.B was approved. The Cities of Canyon Lake and Hemet were not present.

### **C. Program Launch Update**

Tyler Masters reported that WCE has launched in the Cities of Norco, Perris, and Wildomar, and is still on track for the launch in the Cities of Eastvale, Hemet, and Jurupa Valley in May 2020. The required two sets of pre-enrollment notifications for all jurisdictions have been mailed. The first set of post-enrollment notifications will be mailed to customers in the Cities of Norco, Perris, and Wildomar on April 13, 2020.

As of last week, the regional opt-out rate is approximately 2.15%; WCE has over a 97% participation rate. The main reason for this is because customers have indicated that they just do not like being enrolled automatically.

The first organic opt-up has been received by a customer within the City of Perris, followed by opt-up requests within the Cities of Hemet and Wildomar, for a total of four opt-ups.

Staff continue to monitor and respond to questions and comments within online public group pages; with the current social media tool being utilized, staff are unable to respond on public group pages. Staff will make note of any questions and prepare a Frequently Asked Questions reference page and post it on WCE's website.

Director Ted Hoffman indicated that customers find it difficult to understand the differences in rates when looking at their utility bill due to the different rates based upon Time-of-Use.

Mr. Masters responded that staff are working with Southern California Edison on a Joint Rate Comparison which will show rates side-by-side. This comparison will continue in the future.

Director Todd Rigby asked what was the projected, total opt-out rate previously planned.

Mr. Masters responded that the initial feasibility study predicted an opt-out rate of 15% to 25%. More recent proformas projected 10% to 15%, and WCE is well under that.

Mr. Bishop added that during the launch of other CCAs, opt-out rates were between 3% to 18%, so WCE is still at the low end.

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

### **D. Non-Residential Client Engagement and Outreach Update**

Don Ries reported that the Client Engagement and Outreach Program identifies the classes of clients by usage. There are five clients in the top tier of data usage according to 2018 data, and staff have been in touch with all of them, as well as over 20 clients in all. Staff are currently reviewing 2019 data.

Once data metrics are fully developed, reports to this Board will include statistics. WCE is now offering customized usage analysis, rate reviews, and cost projections to some of the larger tier clients.

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

#### **E. Updated Generation Rates for Calendar Year 2020**

Tyler Masters reported that initial rates were adopted in January 2020, and in February changes were also made and adopted. These changes resulted in generation rates for Choice product to be 4% lower in generation rates and an overall 2% savings on customers' bills.

Southern California Edison (SCE) is anticipated to implement a rate change in mid-April and will impact two of WCE's residential rates and four non-residential / commercial / agriculture rates. The two residential Time-of-Use (TOU) domestic rates resulted in a reduction in on-peak costs and a slight increase in mid- and off-peak costs.

SCE increased its rates for small commercial users which resulted in a larger rate discount for WCE customers. Medium-sized commercial user rates were dramatically lowered by SCE which resulted in WCE's rate to be higher; WCE had to redevelop its rates for this group. SCE's redesign of its summer off-peak hours rates for large-sized commercial users will be equal to WCE's rates. SCE also updated its summer off-peak rates for agriculture customers; WCE can reduce its rates for these customers in order to preserve the WCE discount.

Overall, revisions to WCE's rates will still result in the continued 2% savings.

Chairman Ben Benoit asked if there have been any projections to determine if the long-term strategy will meet the reserve goals.

Andrew Ruiz responded that by adopting the proposed rate schedule Agency revenues will decrease by a few hundred thousand dollars for the year; however, it is not much considering the annual Agency budget is \$100M, and customer savings will remain in place.

Director Chris Barajas asked if WCE's peak hours rates are the same as SCE's.

Barbara Spoonhour responded that WCE's rates do mirror SCE's rates.

Denis Vermette added that utilities are changing its TOU periods; they are trying to change the behavior of the consumers.

Rick Bishop indicated that if the Board agrees, it would be helpful if staff developed a primer on what all the terms and rates are. SCE makes these changes several times a year so it would be useful to have this information.

**Action:** 1. Adopted Resolution No. 2020-08: A Resolution of the Board of Directors of Western Community Energy adopting an updated Rate Schedule and rescinding Resolution No. 2020-05.

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

#### **7. REPORT FROM THE EXECUTIVE DIRECTOR**

Rick Bishop indicated that WCE has been live for one week and there have been no problems.

#### **8. ITEMS FOR FUTURE AGENDAS**

There were no items requested for future agendas.

## **9. GENERAL ANNOUNCEMENTS**

Director Todd Rigby thanked staff for their responses to questions from the public and the Board.

Director Ted Hoffman thanked staff for their efforts; the power is still on.

Chairman Ben Benoit thanked staff for making information publicly available online for the Board and the public.

**10. NEXT MEETING :** The next Joint Meeting of the Board of Directors and Technical Advisory Committee is scheduled for Wednesday, May 13, 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 2:20 p.m.