

**Western Community Energy
Joint Meeting of the Board of Directors and
Technical Advisory Committee
June 10, 2020
Summary Minutes**

Item 4.A

1. CALL TO ORDER

The Joint Meeting of the Board of Directors and Technical Advisory Committee was called to order at 1:01 p.m. by Chair Ben Benoit on the Zoom virtual platform.

2. ROLL CALL

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 (1:09 p.m. arrival)
Rita Rogers, City of Perris (1:06 p.m. arrival)
Ben Benoit, City of Wildomar (Chair)

Technical Advisory Committee Members present:

Bryan Jones, City of Eastvale (1:18 p.m. arrival)
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
Casey Dailey, WRCOG Director of Energy & Environmental Programs
Janis Leonard, WRCOG Administrative Services Manager
Tyler Masters, WRCOG Program Manager
Don Ries, WRCOG Program Manager
Avie Barron, WRCOG Senior Analyst
Kyle Rodriguez, WRCOG Staff Analyst
Suzy Nelson, WRCOG Administrative Assistant
Mei Wu, WRCOG Intern
Ani Dhruva, WRCOG Intern

Guests present:

Joshua Brock, Calpine
Ted Bardacke, Clean Power Alliance (CPA)
Jennifer Ward, CPA
Todd Warden, South Coast Air Quality Management District

3. PUBLIC COMMENTS

There were no public comments.

4. CONSENT CALENDAR - (Jurupa Valley / Eastvale) 4 yes; 0 no; 0 abstention. Items 4.A through 4.D were approved. The Cities of Canyon Lake, Norco, and Perris were not present.

A. Summary Minutes from the May 13, 2020, Joint Meeting of the Board of Directors and Technical Advisory Committee are Available for Consideration.

Action: 1. Approved the Summary Minutes from the May 13, 2020, Joint Meeting of the Board of Directors and Technical Advisory Committee.

B. Financial Summary Update

Action: 1. Received and filed.

C. Program Schedule Update

Action: 1. Received and filed.

D. Regulatory and Legislative Activities Update

Action: 1. Received and filed.

5. REPORTS / DISCUSSION - Note: Items will be taken out of order, and one vote for all action items will be taken at the conclusion of all presentations.

A. Adoption of Fiscal Year 2020/2021 Agency Budget

Andrew Ruiz reported that the draft Fiscal Year (FY) 2020/2021 Agency Budget continues to represent a 2% savings on customers' bills overall. There is an anticipated \$12 million available for placement into the reserves. WCE will launch its first program in the new fiscal year - the Smart Thermostat Program. The Doubtful Account Reserve was increased from .5% to 1% in the anticipation of any COVID-19 impacts.

Anticipated operating expenses and revenue have not changed; potential COVID-19 assumptions have been built in, such as opt-up revenues have been decreased from approximately 5% to approximately .5%. The Doubtful Account Reserve has been doubled from .5% to 1%.

There have been a couple of changes to expenditures. Approximately \$100,000 has been added to the Consulting line item, due to the addition of funds for regulatory filing support. The contract amount for this support came in well under what was anticipated. The other change is for potential membership in CalCCA, which will be discussed under its own agenda item later in this meeting. The membership would result in a .2% increase in expenditures.

Budgetary considerations include Power Cost Indifference Adjustments, regulatory decisions, changes in load forecast, opt-out rates, rate changes, and a COVID-19 utility moratorium.

Regarding the CalCCA membership, that amount was not included in the budget, so the budget would require an amendment prior to being approved.

Director Todd Rigby recommended that, since the contract for regulatory filing support was less than anticipated, the Consulting line item be decreased to \$40k or \$50k in order to be more accurate.

Staff responded that it can be adjusted.

Technical Advisory Committee member Andy Okoro indicated that he did not see any projection on how the current fiscal year will end, which could potentially have an impact on the projected fund balance for the upcoming fiscal year.

Barbara Spoonhour responded that June 30, 2020, is the cut-off date for financial support being

provided by WRCOG. Final numbers, along with a repayment plan, will likely be presented in August 2020.

Mr. Ruiz responded that a 3rd Quarter Budget Amendment was recently presented which included anticipated revenues and expenditures. Once it is determined exactly how much WCE has to pay back to WRCOG, there will be a clearer picture on WCE revenues and expenses for the next fiscal year.

Action: 1. Adopted Resolution No. 2020-11; A Resolution of the Board of Directors of Western Community Energy adopting the Fiscal Year 2020/2021 Agency Budget, with a reduction to the Consulting line item by \$60k, and the addition of the CalCCA membership dues.

(Eastvale / Hemet) 6 yes; 0 no; 0 abstention. Item 5.A was approved. The City of Canyon Lake was not present.

B. Updated Choice Plus Plan Generation Rates for Calendar Year 2020

Tyler Masters reported that, per the Board's direction at its last meeting, staff is returning with a requested action to reduce WCE's Choice Plus Plan (100% green rate) premium from 1.5 cent/kWh to 1.0 cent/kWh. This creates a fiscal impact of approximately \$25,000 and has been included in the budget. This was in response to Southern California Edison (SCE) reducing its green rate.

Director Ted Hoffman asked if SCE has indicated why it reduced its rate.

Mr. Masters responded that SCE indicated it was a reallocation related to its customer responsibility surcharge.

Action: 1. Adopted Resolution No. 2020-12; A Resolution of the Board of Directors of Western Community Energy adopting an updated Rate Schedule and rescinding Resolution No. 2020-09.

(Eastvale / Hemet) 6 yes; 0 no; 0 abstention. Item 5.B was approved. The City of Canyon Lake was not present.

C. Program Launch Update

Tyler Masters reported that the current opt-out rate is 4.12% regionally, still well under the projected assumptions. The Joint Rate Comparison (JRC) is a side-by-side of generation rates, comparing the rates of WCE and Southern California Edison (SCE). Notice of any rate changes to either agency is to be posted to both agency's websites within 60 days of the effective rate change. JRC mailers are also prepared and sent to all customers every July.

There was an issue with SCE's last month's customer bills for all CCAs that launched in April 2020 in that the bills were missing WCE's description of generation charges. The charges were correct, there was just no description. The matter has been fixed.

Additionally, SCE has notified staff that some of the customers participating in the CARE and FERA Programs were inadvertently dropped as SCE was updating its enrollment process to reflect the recent customer protections due to COVID-19. SCE is re-enrolling all affected customers.

Lastly, a few customers have indicated that since switching to WCE their rates have increased. All customers, WCE and SCE, receive an annual California Climate credit, normally in April and October. Due to COVID-19, SCE has decided to provide the credit in April, May, and June. Unfortunately, the credit was provided when WCE launched, which made it seem like WCE's bill is more expensive.

In March 2020, this Board directed staff to create a Smart Thermostat Program to reflect that same Program of SCE's. There are 1,300 customers who participate in SCE's Smart Thermostat Program. WCE has received 11 proposals which are currently under evaluation. A recommendation for selection

will be provided to this Board in July. WCE's Smart Thermostat Program is anticipated to launch in January 2021.

Staff are underway with the 2020 post-launch marketing and advertising plan. Social media management will include generating and posting two targeted advertisements per week.

SCE is offering CCAs in its service territory the ability to claim an annual allocation of greenhouse gas emissions-free energy. Hydro and nuclear allocation credits can be claimed for calendar year 2020. Customers would not actually receive hydro and/or nuclear energy; WCE would merely receive credit for its Power Content Label.

Rick Bishop added that staff are working on a counter that shows how much money WCE customers have saved since launch.

Director Ted Hoffman indicated that the Navy is setup up a photovoltaic solar power grid on the Norco Navy Base, and the vendor is considering sharing that energy.

Mr. Masters indicated that WCE could purchase that electricity to help meet its goals.

Director Russ Brown asked about the CCA cost responsibility surcharge listed on SCE bills.

Mr. Masters responded that the surcharge is referred to as a "PCIA surcharge." WCE generation charges will be on a following page.

Director Brown suggested increasing the font size on mailers.

Chair Ben Benoit asked if there is a benefit in claiming hydro versus nuclear energy.

Mr. Masters responded that there is no cost in claiming either; it would be a credit on the Power Content Label. If WCE does not claim the credit, SCE will.

The Board discussed pros and cons of hydro versus nuclear energy.

Action: 1. Received and filed.

D. Non-Residential Client Engagement and Outreach Update

Don Ries reported that staff still does not have complete 2019 data from Southern California Edison (SCE). Of the top 50 customers, there are nine which are considered to be the top users. Of these top nine, one opted out; however, staff has reached out and had discussions, and that customer is considering returning to WCE. The commercial opt-out rate is at 3.5%; this is still significantly less than originally anticipated.

If any Board members receive inquiries from residential or business constituents, staff are happy to prepare any rate comparison analyses.

Action: 1. Received and filed.

E. Emergency Customer Protections due to COVID-19

Andrew Ruiz reported that Southern California Edison (SCE) has extended its emergency customer protections due to COVID-19 to medium and large businesses. SCE does not require any certification from a customer proving that they are experiencing a financial hardship due to COVID-19. Mr. Ruiz reviewed SCE's payment posting priority with the Board. The oldest disconnectable charges on invoices are paid first, and SCE is paid before the CCA is paid.

WCE has asked the California Public Utilities Commission for a more equitable share (50/50 split) of customer payments of pro-rata allocations. SCE has indicated that the waterfall should remain the same due to SCE's charges being deemed as disconnectable.

Action: 1. Received and filed.

F. Consideration of Membership in CalCCA

Barbara Spoonhour reported that in March 2020 CalCCA provided a presentation to this Board on the possibility of WCE becoming an Operational Member of CalCCA. Prior to launch, WCE was an Affiliate Member of CalCCA. As CCAs launch they normally transition to Operational Membership status. The dues structure is \$206,825 for this fiscal year. Staff believes the cost is worth the benefits provided compared to hiring new staff.

Benefits of membership enhance the voice of all southern California CCAs at the California Public Utilities Commission, the California Energy Commission, and at the legislative level, to name a few. As an Operational Member, WCE would have access to CalCCA's resource center which include direct access to other CCAs, so staff are not cold calling when questions arise.

Staff recommends this matter return on a yearly basis for review.

Chairman Ben Benoit asked if CalCCA has its own state lobbyist.

Ted Bardacke indicated that CalCCA has a full-time Director of Legislative Affairs staff member who is a former Chief of Staff for Assembly member Richard Bloom (Santa Monica) and has experience in Sacramento. Additionally, CalCCA contracts with two lobbyist firms with experience in the electricity field.

Director Ted Hoffman asked if membership comes with an annual conference and/or training.

Mr. Masters responded that there is an annual conference in which Board members are encouraged to attend. Additionally, there are a number of staff-level trainings.

Mr. Bardacke congratulated WCE on its launch. The sharing of information and coaching amongst CCAs is important.

Director Russ Brown asked how the membership rate is established.

Ms. Spoonhour responded that it is determined by agency projected revenues.

Action: 1. Approved Operational Membership with CalCCA and directed staff to return to the Board of Directors on an annual basis for review.

(Eastvale / Hemet) 6 yes; 0 no; 0 abstention. Item 5.F was approved. The City of Canyon Lake was not present.

6. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop introduced Avie Barron, the new Senior Analyst for WCE.

7. ITEMS FOR FUTURE AGENDAS

Chair Ben Benoit requested that when the 2021 meeting calendar is developed that staff look to have the Board meetings dark in either July (preferred) or August.

8. GENERAL ANNOUNCEMENTS

Chair Ben Benoit would like a calculator to be put on WCE's website that allows customers to compare and calculate SCE and WCE rates.

Tyler Masters responded that this will be reviewed by Calpine, WCE's billing and data managers.

9. NEXT MEETING : **The next Joint Meeting of the Board of Directors and Technical Advisory Committee is scheduled for Wednesday , July 8 , 2020 , at 1:00 p.m., via Zoom platform .**

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