



Draft Minutes

Board of Directors Special Board Retreat - Power Procurement

Wednesday, March 8, 2023

12:00 pm

In person:

The Lake Merritt Room
Cal State East Bay - the Oakland Center
In the Transpacific Centre
1000 Broadway, Suite 109
Oakland, CA 94607

Or from the following locations:

- Berkeley City Hall - 5th fl, Rosebud Room - 2180 Milvia St, Berkeley, CA 94704 (For access, please contact James Chang at 415-527-7765)
- City Council Conference Room - 200 Old Bernal Ave, Pleasanton, CA 94566
- Scott Haggerty Heritage House - 4501 Pleasanton Ave, Pleasanton, CA 94566
- 300 Reunion Boulevard, Dallas, Texas 75207
- Ledding Library - 10660 SE 21st Ave St, Milwaukie, OR 97222

Via Zoom:

<https://us02web.zoom.us/j/87023071843>

Dial (for higher quality, dial a number based on your current location): US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 929 205 6099 or +1 301 715 8592 or 888 475 4499 (Toll Free) or 877 853 5257 (Toll Free)

Webinar ID: 870 2307 1843

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at least 2 working days before the meeting at (510) 906-0491 or cob@ebce.org.

If you have anything that you wish to be distributed to the Board of Directors, please email it to the clerk by 5:00 pm the day prior to the meeting.

Vice Mayor Betsy Anderson was sworn in as the new Member for the City of Piedmont.

Councilmember Sukhdeep Kaur was sworn in as the new Alternate for the City of Emeryville.

1. Welcome & Roll Call

Present: Members: Haubert (Alameda County), Bartlett (Berkeley), Hu (Dublin), Kaur (Emeryville), Cox (Fremont), Jorgens (Newark), Andersen (Piedmont), Gonzalez (San Leandro), Bedolla (Tracy), Patino (Union City), Eldred (Community Advisory Committee), Vice-Chair Balch (Pleasanton) and Chair Marquez (Hayward)

Excused: Members: Tiedemann (Albany), Barrientos (Livermore) and Kalb (Oakland)

Director Kaur served as an Alternate for Director Bauters (Emeryville).

Presenters and Staff Attended:

Howard Chang - EBCE President and Chief Operating Officer

Karen Lee- EBCE Manager, Power Resources

Izzy Carson - EBCE Power Resources Manager

Marie Fontenot - EBCE Vice President, Power Resources

Chris Eshelman - EBCE Director, Power Resources

Jim Dorrance - EBCE Power Resources Manager

Raissa Ngoma - Assistant Clerk

Adrian Bankhead - Clerk

2. Pledge of Allegiance

3. Public Comment

This item is reserved for persons wishing to address the Board on any EBCE-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Board are customarily limited to two minutes per speaker and must complete an electronic speaker slip. The Board Chair may increase or decrease the time allotted to each speaker.

Audrey Ichinose, a South Berkeley resident and East Bay Clean Power Alliance member, reminded the Board of two key goals in the Joint Powers Authority agreement: providing electricity with lower greenhouse gas content than PG&E's default product and developing local clean energy assets. Audrey Ichinose emphasized the importance of both goals in the context of power procurement decisions. Audrey Ichinose also called for a second special board retreat to provide an overview of EBCE's progress on local development including a list of projects, programs, and investment relative to the annual budget and surplus allocations.

4. Power Procurement Update (Informational Item)

Receive update on Power Procurement activities.

The Board Discussed:

- **Member Haubert** asked where rate-payers who are confused about their bills should be directed, and for guidance about programs that can aid low-income rate-payers.
- **Member Bartlett** stated that he has received numerous calls from constituents about energy relief and asked for staff to email Board members information that can be shared with the community.

- **CAC Chair Eldred** asked if differences in values with respect to the environment and energy generation between California and neighboring regions can impact decision making in integrated energy markets.
- **CAC Chair Eldred** asked for a clarification of the role that Demand Response plays with respect to calculating the effective load carrying capability that is used to determine the contribution of intermittent resources to system reliability.
- **Vice-Chair Balch** asked for an explanation for the dramatic fall-off in the ability to count renewable energy as resource adequacy.
- **Member Haubert** asked for the overall capacity of the grid over the next thirty years, and if there is enough renewable energy available in California for the state to become 100% renewable.
- Referring to slide #22 titled “Emissions Reporting”, in the Power Procurement presentation, **Member Balch** asked if the PPC2s on the Power Content Label is a prescribed number, given that the emissions are generated in another state. Member Balch also asked if PCC2s were factored out, would Bright Choice’s Greenhouse Gas Emissions Intensity decrease below the 2021 California Utility Average or the California Industry Average.
- **CAC Chair Eldred** asked for staff to explain the discrepancy between EBCE’s emissions and other California CCAs that are under the same reporting requirements.
- **Chair Marquez** asked for staff to provide options to improve the emissions reduction with a five percent buffer.
- Referring to slide #31, titled “CAISO Wide Curtailment”, in the Power Procurement presentation, **CAC Chair Eldred** asked if staff is seeking to procure flexible load that can help offset costs and bring down the cost of renewables.
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5. Board Member and Staff Announcements including requests to place items on future Board agendas

- **Chair Marquez** requested that, at the April Board meeting, staff provide guidance for questions raised by Members Haubert and Bartlett early in the meeting (the first two questions listed in the board discussion section in these minutes).
- **Chair Marquez** also announced that the Ad Hoc Compensation Committee is still meeting. The compensation subcommittee is composed of Chair Marquez, Vice-Chair Balch, Member Patino and Member Kalb. Chair Marquez stated that the Ad Hoc Compensation Committee would more than likely hold off from bringing items to closed session at the present time.

6. Adjournment to Wednesday, March 15, 2023 at 6:00 pm.



Draft Minutes

Board of Directors Meeting

Wednesday, March 15, 2023

6:00 pm

In Person

The Lake Merritt Room
Cal State East Bay - the Oakland Center
In the Transpacific Centre
1000 Broadway, Suite 109
Oakland, CA 94607

Or from the following locations:

- Wells Fargo Building - 2140 Shattuck Avenue, Floor 6, Berkeley, CA 94704
- City of Pleasanton City Hall, City Manager's Conference Room - 123 Main Street Pleasanton, California 94566
- City of Dublin City Hall - 100 Civic Plaza, Dublin, CA 94568
- Scott Haggerty Heritage House - 4501 Pleasanton Ave, Pleasanton, CA 94566
- City of Tracy City Hall, 333 Civic Center Drive, Tracy, CA 95376
- City of Albany City Hall - 1000 San Pablo Ave, Albany, CA 94706
- City of Emeryville City Hall - 1333 Park Ave. Emeryville, CA 94608
- City of Oakland City Hall - 475 14th St, Oakland, CA 94612
- City of Piedmont City Hall - 120 Vista Ave, Piedmont, CA 94611
- City of Fremont City Hall - 3300 Capitol Ave, Fremont, CA 94538
- City of Newark City Hall - 37101 Newark Blvd, Newark, CA 94560
- Union City City Hall - 34009 Alvarado-Niles Road, Union City, CA 94587
- City of Dublin City Hall - 100 Civic Plaza, Dublin, CA 94568
- City of Livermore City Hall - 1052 S. Livermore Ave, Livermore, CA 94550
- City of Hayward City Hall - 777 B Street Hayward, CA 94541
- City of San Leandro City Hall - 835 East 14th Street, San Leandro, CA 94577
- City of Stockton City Hall - 425 N El Dorado St, Stockton, CA 95202

Via Zoom:

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If you have anything that you wish to be distributed to the Board of Directors, please email it to the clerk by 5:00 pm the day prior to the meeting.

Supervisor Lena Tam was sworn in as the new EBCE Alternate for Alameda County

Councilmember Dan Wright was sworn in as the new EBCE Director for the City of Stockton.

1. Welcome & Roll Call

Present: Directors: Tam (Alameda County), Tiedemann (Albany), Bartlett (Berkeley), Hu (Dublin), Kaur (Emeryville), Cox (Fremont), Barrientos (Livermore), Jorgens (Newark), Kalb (Oakland), Andersen (Piedmont), Gonzalez (San Leandro), Wright (Stockton), Bedolla (Tracy), Patino (Union City), Eldred (Community Advisory Committee), Vice-Chair Balch (Pleasanton) and Chair Marquez (Hayward)

Director Tam served as the Alternate for Director Haubert (Alameda County).

Director Kaur served as the Alternate for Director Bauters (Emeryville).

Presenters and Staff Attended:

Nick Chaset - EBCE Chief Executive Officer

Howard Chang - EBCE President and Chief Operating Officer

Todd Edmister - EBCE Senior Director, Regulatory Affairs and Deputy General Counsel

John Newton - EBCE Principal Regulatory Manager

Allison Lopez - EBCE Energy Efficiency Program Analyst

Feliz Ventura - EBCE Program Manager, Resilience

Marie Fontenot - EBCE Vice President, Power Resources

Chris Eshelman - EBCE Director, Power Resources

Inder Khalsa - General Counsel to EBCE

Raissa Ngoma - Assistant Clerk

Adrian Bankhead - Clerk

2. Pledge of Allegiance

Chair Marquez led the body in reciting the Pledge of Allegiance.

3. Public Comment

This item is reserved for persons wishing to address the Board on any EBCE-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Board are customarily limited to two minutes per speaker and must complete an electronic speaker slip. The Board Chair may increase or decrease the time allotted to each speaker.

Jessica Tovar expressed concern about the recent CPUC decision to reduce the Net Energy Metering incentive for rooftop solar. Jessica Tovar urged EBCE to offer a comparable net energy metering incentive to support the growth of local clean energy and create more jobs in the community. Jessica emphasized that EBCE should focus on the local growth of solar, which would have positive impacts on health, pollution reduction, and job creation.

Woody Hastings congratulated Councilmember Wright, EBCE, and the City of Stockton on their collaboration. Hastings acknowledged Councilmember Wright's role as a champion of Community Choice Energy and expressed his excitement about seeing how EBCE can help Stockton achieve its goals while also improving its own services.

4. Closed Session

- Conference with Legal Counsel. Initiation of litigation pursuant to § 54956.9(c): (1 case)
- Conference with Real Property Negotiations (Government Code § 54956.8) (1999 Harrison St. Oakland, CA 94612; 2100 Franklin St. Oakland, CA 94612 and 1221 Broadway, Oakland, CA 94607)
Negotiation: (Nick Chaset, Howard Chang and Inder Khalsa)
Parties: (Avison Young, Starwood Capital Group and TMG Partners)
Negotiation: (Price and terms of payment)

5. General Report Out of Closed Session

There were no items to report out of closed session.

CONSENT AGENDA

6. Approval of Minutes from February 15, 2023

7. Contracts Entered into (Informational Item)

8. Cascade Energy Contract

Contract for the Commercial Energy Efficiency Program

9. ARUP Contract Amendment

Contract Amendment for Application for Federal Funds

The Board Discussed:

- Member Gonzalez asked about the payment structure of the Cascade Energy contract and if there is a code of conduct that sets standards for business interactions for Board members.

Member Gonzalez (San Leandro) pulled Item 8 - Cascade Energy Contract from the Consent Calendar.

Member Cox (Fremont) motioned to approve Consent Items 6, 7 and 9. Member Tiedemann (Albany) seconded the motion, which passed 15/0. Excused: Member Bartlett (Berkeley)

Member Gonzalez (San Leandro) motioned to approve Consent Item 8. Member Tiedemann (Albany) seconded the item, which passed 15/0. Abstain: Member Tam (Alameda County)

REGULAR AGENDA

10. CEO Report

CEO Chaset announced the addition of two new staff members. Brett Wiley, formerly from MCE, will be the Senior Program Associate for Electric Mobility, leading initiatives related to electrical mobility. Cody Vaughn will serve as the Account Services Coordinator. Cody will work on customer engagement, billing analysis, and issue escalation for both residential and commercial customers.

CEO Chaset provided an update on EBCE's brand identity as the agency expands into new areas, such as Tracy and Stockton. Chaset stated that the agency is evaluating its name, language, and color schemes. Staff have conducted surveys with stakeholders and consumers, and CEO Chaset stated that findings will be presented to the Executive Committee in April.

Tom Kelly requested an update from CEO Chaset about the \$15 million set aside for induction ranges for low-income households and member jurisdictions.

11. CAC Report

CAC Chair Eldred reported that the March 12, 2023 CAC meeting was successful, although some attendees had difficulty finding suitable locations to notice, and therefore, could not participate. For this reason, Chair Eldred requested for Board members to meet with their CAC counterparts if they had not done so already.

Chair Eldred stated that at the March 12, 2023 CAC meeting, CAC members received an abbreviated version of the March 8, 2023 Special Board Retreat Power Procurement presentation, focusing on emissions factors. The CAC expressed concern about the degradation of EBCE's base product, Bright Choice, and requested that staff focus on local generation of clean energy. Finally, Chair Eldred expressed concern about the timeliness of public communications, and requested to receive public comment with enough time to review them before meetings.

12. MRP Malaga (Action Item)

MRP Malaga long-term energy hedge and RA agreement

The Board Discussed:

- CAC Chair Eldred asked for confirmation that EBCE would not buy power from the gas plant, and that when the plant runs, EBCE would not put that energy into the

battery. Chair Eldred further asked for confirmation that EBCE would fill the battery at night, when power costs are at their lowest, to release during peak periods. CEO Chaset confirmed that Chair Eldred's understanding is correct.

- CAC Chair Eldred discussed interconnection delays, which can range from one to ten years, and encouraged staff to form a coalition other CCAs to work on regional legislation to address this issue.
- Member Gonzalez (San Leandro) requested to know if the batteries have already been created or if they still need to be developed. Member Gonzalez asked for assurance that no energy is procured under this contract. CEO Chaset provided this assurance, and Member Gonzalez asked CEO Chaset to provide a description of how the insurance mechanism works, and how EBCE protects itself from the risk of double-pledging. Member Gonzalez also asked for an explanation for why PG&E had not chosen to renew its contract with MRP Pacifica Marketing, LLC.
- CAC Chair Eldred stated that the motion to support the staff recommendation was not approved by the CAC. Chair Eldred stated that, although there was universal support for the battery portion of the contract, concern was expressed about using ratepayer funds to maintain a gas plant.
- Member Andersen (Piedmont) asked if there was a way to separate out the peaker plant from the battery portion of the contract.
- Member Kalb asked if this is a combined cycle power plant, and then asked about the difference in the number of hours that the plant will be turned on if the contract is approved. Member Kalb also asked if staff can negotiate the timeframe of the contract.
- Member Wright stated that if the contract is not approved, then the plant is going to continue to function and put more pollution in the air. If the contract is approved then the amount of pollution that the plant would produce will decrease. Member Wright also stated that as CCAs and PG&E move to 100% renewables over the next 15 to 30 years, peaker plants have to change, or they will be phased out of existence.
- Member Gonzalez asked for clarification about whether this is a peaker or combined cycle power plant.
- Member Andersen stated that the contract talks about two different plants and asked for a description of each of the plants.

Audrey Ichinose recommended that EBCE sign the contract, but to take two actions to signal its commitment to local clean energy. The first action would be to make an all-out effort to recruit more customers to opt up for the Renewable 100 service, or alternatively, to encourage non-participating jurisdictions to adopt Renewable 100 as their default service while providing protections for their low-income customers. The second action would be for EBCE to continue to support solar plus storage, which Audrey Ichinose described as an asset, given the agency's large customer base and built-up environment.

Tom Kelly stated that even if the electricity from the peaker is not used by EBCE, the contract will continue to enable the plant to operate for 15 years. Tom Kelly urged the board to consider EBCE's original intentions and to either remove the portion of the contract related to the peaker plant or not support the contract at all.

Jessica Tovar emphasized the need for EBCE to re-focus on making local investments in the communities that it serves. Jessica Tovar suggested that EBCE should invest in building out local solar and storage in the East Bay, offer Net Energy Metering incentives, provide a municipal feed-in tariff and a feed-in tariff to encourage community-based organizations to develop solar co-ops, and to buy energy from local innovators. Jessica Tovar stated that the goal is to change the energy system, not perpetuate patterns of environmental injustice.

CAC Vice Chair Ed Hernandez questioned the need to continue working with gas peaker plants, and wondered how supporting them would help to create the future that we want. Ed Hernandez expressed concern about the impact of the gas peaker plant on the population in Fresno, stating that it may lead to premature deaths. Ed Hernandez suggested that a plan to close the peaker plant was missing from the conversation.

Member Bedolla (Tracy) motioned to approve the staff recommendation for Item 12 - MRP Malaga. Member Tiedemann (Albany) seconded the motion, which passed 14/0. Excused: Members Tam (Alameda County) and Kaur (Emeryville)

13. Board Member and Staff Announcements including requests to place items on future Board agendas

- Chair Marquez stated that she is in the process of determining committee assignments and thanked Board members for their responses. Chair Marquez also stated that there is an expectation that every member serve on one committee.
- Chair Marquez asked for staff to provide an update about the Power Content label.
- Member Gonzalez asked for follow-up about how counterparty risk is managed across the portfolio, particularly with respect to financial hedges.
- Member Gonzalez also announced that the Bay Area Air Quality Management District voted to approve the Regulations 9.4 and 9.6 amendments, which means that starting in 2027, water heaters will be electrical for new installations, and in 2029, home heating will be electric. Member Gonzalez stated that EBCE should start considering the implications of this approval in terms of load, modeling and distribution.
- Chair Marquez requested that General Counsel Inder Khalsa to prepare a memo for Board Members to provide guidance for when it would be appropriate to give disclosures or to recuse oneself. Member Gonzalez stated that he would be interested in guidance related to conflicts of interest with respect to legality, and if family members of EBCE employees are employers at the counterparties of contracts.
- Member Wright requested clarification about next steps for Stockton to move forward, including appointing an alternate and adding a new member representing Stockton to the CAC.

14. Adjournment to Wednesday, April 19, 2023 at 6:00 pm.