



DATE: November 14, 2016

AGENDA ITEM # 6

TO: Environmental Commission

FROM: J. Logan, Staff Liaison

SUBJECT: Receive Silicon Valley Clean Energy Authority update and provide recommendations as needed

BACKGROUND

State and Local Mandates

State Assembly Bill 32, the Global Warming Solutions Act, was signed into law in 2006 and directed public agencies in California to support the state-wide target of reducing greenhouse gas (GHG) emissions to 1990 levels by 2020. In addition, California adopted ambitious energy and environmental policies to reduce state-wide greenhouse gas (GHG) emissions to 40% of 1990 levels by 2030 and, to provide 33% of electricity demands in 2020 from renewable resources utilizing clean energy technologies and environmental benefits.

To address the reduction of GHG emissions at the local level, the City Council adopted a Los Altos Climate Action Plan (CAP) on December 10, 2013. The CAP is a comprehensive strategy with goals and measurements to reduce GHG emissions within five focus areas: Transportation, Energy, Resource Conservation, Green Community and Municipal Operations. The CAP was adopted with a target of reducing the community's GHG emissions by at least 15% by 2020 and with an overarching plan for how the City can achieve up to a stretch-goal of 17% reduction in the GHG emissions by 2020.

Community Choice Energy

One method that has the potential to reduce the GHG emission associated with energy consumption is the establishment of Community Choice Energy (CCE), a system that allows cities, counties and Joint Power Authorities (JPA) to aggregate the purchasing power of an identified customer base within a defined area to secure alternative energy supply contracts with the goal of increasing the percentage of energy from renewable sources. The purchase of alternative energy supplies includes renewable sources such as hydroelectric, wind and geothermal as opposed to non-renewable fossil fuels such as coal, oil and natural gas. The consequences inherent in the use of fossil fuels to generate energy are particularly high carbon dioxide equivalents or GHG emissions which contribute to global warming. The ability to form CCEs has been adopted into law in California and a few other states.

In the 2005 Los Altos GHG Community Inventory baseline, residential and commercial electricity account for 18% of Los Altos community-wide GHG emissions. Reducing the GHG intensity of the electricity currently flowing through the PG&E grid by incorporating more energy from renewable sources is an effective way to directly reduce community GHG emissions. If by establishment of a CCE, Los Altos purchased electricity that was 25% cleaner than PG&E-provided

grid electricity, the use of renewal-source energy could potentially reduce overall city emissions by up to 4.5%. If 100% renewable/clean energy were purchased, Los Altos emissions could be reduced by up to 18% and could attain the 2020 stretch goal of 17% reduction in GHG. As such, implementing a CCE has the potential to rapidly reduce community GHGs more so than any other measure currently identified in the Climate Action Plan.

It is noted that the GHG reductions by 2020 are only the first step in the State's GHG reduction goals. The state is proposing additional targets for 2030 and 2050. The initiative of establishing community choices to purchase energy produced by renewal sources is quickly becoming a viable option to achieve GHG reductions. Currently operating Community Choice Energy Programs can demonstrate savings to residents on energy bills and the attainment of sufficient GHG reductions to propel communities to reach short and long-term state goals for clean energy.

In July 2013, the City of Los Altos Environmental Commission explored the concept of GHG reductions that could be achieved by Community Choice Energy and is continuing to hear presentations on the topic and take action for recommendations to Council.

Council Actions

City Council convened a study session on Community Choice Aggregation (Energy) on March 10, 2015. The full staff report and video of the Council CCE study session is posted on the City Website at http://los-altos.granicus.com/GeneratedAgendaViewer.php?view_id=4&clip_id=911

On April 3, 2015 the City of Sunnyvale sent invitations to Santa Clara County cities to participate in the South Bay Technical Feasibility Study currently composed of and partnered by the Cities of Sunnyvale, Mountain View, Cupertino and Unincorporated Santa Clara County. This partnership is investigating the feasibility of a Community Choice Energy program for the South Bay.

At its April 28, 2015 meeting, Council received a staff report proposing CCE Goals and an Approach Plan to formulate and recommend a CCE business model

In accordance with direction given to the Environmental Commission by Council at the March 10, 2015 Study Session, the CCE Subcommittee convened meetings that were held throughout 2015 and part of 2016 to research and determine the feasibility of joining a CCE for the City of Los Altos.

A Regular meeting of the Environmental Commission was held on July 13, 2015 and was immediately followed by a Study Session on CCE. Melody Tovar, Regulatory Programs Divisions Manager, City of Sunnyvale Environmental Services Department delivered a presentation on the Silicon Valley CCE Partnership (SVCCEP).

On August 25, 2015 the Environmental Commission presented a CCE Interim Report to Council and included an update on the progress of the Silicon Valley CCE Partnership.

The Environmental Commission assisted with outreach efforts to promote the CCE Community meeting held at LAYC (Los Altos Youth Center) on January 13, 2016. The presentation provided information about SVCCEP's efforts to form a group of agencies under a Joint Powers Authority to establish a CCE Program within Santa Clara County.

Receive Silicon Valley Clean Energy Authority update and provide recommendations as needed

On January 26, 2016, the Environmental Commission presented its Final CCE Report to Council. Council expressed appreciation to the Commission and directed staff to move forward with the necessary steps for membership in Silicon Valley Clean Energy Authority (SVCEA) and the establishment of a CCA program for Los Altos at its February 9, 2016 meeting. At its February 9 and February 23, 2016 meetings, Council finalized the steps for membership in SVCEA and establishment of a CCA for the City. Mayor Bruins was appointed as the SVCEA regular member of the Board of Directors and Councilmember Mordo as the alternate member.

DISCUSSION

SVCEA held its initial Board of Directors' meeting at the Santa Clara Board of Supervisors chambers on April 13, 2016. The agenda packet and video of the monthly proceedings are available at http://www.svcleanenergy.org/app_pages/view/297.

Commissioner Bray attended the August 27, 2016 SVCEA Board of Directors' Power Supply workshop and provided his comments and briefing of the meeting to the Commission.

The Environmental Commission will review SVCEA monthly agendas, materials and meeting summary notes for purposes of discussion at its Environmental Commission meetings. The results of Commission discussions and recommendations will be provided to Director Bruins. This is in accordance with the Work Plan project to provide resources to Director Bruins on policy and programs guidance. In the event the subcommittee needs to convene for items pertaining to SVCEA, the meeting will be agendaized to the public and will comply with requirements of the Brown Act.

Attachment:

A. November 9, 2016, SVCEA Board of Directors Meeting agenda and relevant materials

Receive Silicon Valley Clean Energy Authority update and provide recommendations as needed



Rod Sinks, Chair
City of Cupertino

Rob Rennie, Vice Chair
Town of Los Gatos

Liz Gibbons
City of Campbell

Daniel Harney
City of Gilroy

Jeannie Bruins
City of Los Altos

John Harpootlian
Town of Los Altos Hills

Burton Craig
City of Monte Sereno

Steve Tate
City of Morgan Hill

John McAllister
City of Mountain View

Joe Simitian
County of Santa Clara

Howard Miller
City of Saratoga

Jim Griffith
City of Sunnyvale

**Silicon Valley Clean Energy Authority
Board of Directors Meeting**

Wednesday, November 9, 2016
7:00 pm

Santa Clara County Board Room
70 West Hedding Street, 1st Floor
San Jose, CA

AGENDA

Call to Order

Roll Call

Public Comment on Closed Session

The public may provide comments regarding the Closed Session item(s) just prior to the Board beginning the Closed Session. Closed Sessions are not open to the public.

Convene to Closed Session

Public Employee Performance Evaluation
Title: Chief Executive Officer

Conference with Labor Negotiator
Agency Representative: Rod Sinks, Chair, Board of Directors
Unrepresented Employee: Chief Executive Officer

Report from Closed Session

Public Comment on Matters Not Listed on the Agenda

The public may provide comments on any item not on the Agenda. Speakers are limited to 3 minutes each.

Consent Calendar (Action)

1a) Approve Minutes of the October 12, 2016, Board of Directors Meeting

1b) Approve Amendment to Agreement with Richards, Watson & Gershon for Legal Services

svcleanenergy.org

505 W Olive Avenue
Suite 130
Sunnyvale, CA, 94086



Rod Sinks, Chair
City of Cupertino

1c) Authorize CEO to Execute Orders with the Del Gavio Group to Furnish SVCEA Office

Rob Rennie, Vice Chair
Town of Los Gatos

1d) Approve FY2016-2017 Budget

Liz Gibbons
City of Campbell

Regular Calendar

2) Executive Committee Report (Discussion)

Daniel Harney
City of Gilroy

3) CEO Report (Discussion)

Jeannie Bruins
City of Los Altos

4) Approve Credit Agreement and other related documents with River City Bank (Action)

John Harpootlian
Town of Los Altos Hills

5) Approve Memorandum of Understanding with the Cities of Gilroy, Mountain View, and Sunnyvale and the County of Santa Clara for Provision of Loan Guaranty (Action)

Burton Craig
City of Monte Sereno

6) Approve Resolution Delegating Authority to the Chief Executive Officer to execute Master Agreements for Power Supply with 3 Phases Renewables, Inc., Energy America, LLC, Exelon Generation Company, LLC, Morgan Stanley Capital Group, Inc., Powerex Corp., and Shell Energy North America (US), L.P. (Action)

Steve Tate
City of Morgan Hill

7) Approve Agreement for ZGlobal Inc. for Power Supply Scheduling Coordination Services (Action)

John McAlister
City of Mountain View

Board Member Announcements

Joe Simitian
County of Santa Clara

Adjourn

Howard Miller
City of Saratoga

Jim Griffith
City of Sunnyvale

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Staff Report – Item 3

To: Silicon Valley Clean Energy Authority Board of Directors

From: Tom Habashi, CEO

Item 3: CEO Report

Date: 11/9/2016

REPORT**The City of Campbell Opts for GreenPrime**

Campbell City Council approved a resolution to opt-up to GreenPrime energy for city facilities once SVCE begins serving the member cities in April 2017. The City of Mountain View has taken action several months ago to prepare to do the same. The City of Gilroy is studying the fiscal impact of following the same path, while the town of Los Altos Hills has expressed interest to "opt-up" all of the utility customers in town.

Employment Offers

Three offers were made to fill the Board Clerk/Executive Assistant, Community Outreach Specialist and the Account Services Manager positions. The offers were accepted and starting dates are set at November 14, November 21 and January 4. A second round of interviews for the Director of Finance and Administration will conclude tomorrow, November 10, and an offer should be made to fill that position by Monday, November 14, 2016.

New Office

The tenant improvements work for the new office was completed on time. We are awaiting the arrival of furniture and electronic equipment to move to the new SVCE Headquarters located at 333 W. El Camino Real, Sunnyvale. That move is scheduled for Monday, November 14, 2016.

Data Management Contract

The Executive Committee approved the Data Management Contract with Noble Solutions. Additional minor modifications were negotiated during the last two weeks. The executed contract will be emailed to the Board members in the very near future.

Regional Outreach

The California Community Choice Association (CalCCA) held their first annual meeting on October 20, 2016 in San Francisco. The meeting attracted several representatives that are in various stages of examining the feasibility of forming a CCA in their communities. Following that meeting, officials from the Governor's office and the CPUC requested to meet with CalCCA representatives. These meetings are scheduled for the second half of November 2016.

ATTACHMENTS

1. Community Outreach Report
2. Board Agenda Planning, Dec. 2016-May 2017



**Community Outreach Update
October 2016/November 2016**

1. Events and Presentations

Event	Date	Community
Presentation: Los Gatos Leadership Group, organized by the City and Chamber of Commerce	11/4/16	Los Gatos
Presentation: League of Women Voters of Southwest Santa Clara Valley	11/14/2016	Campbell, Los Gatos, Saratoga, Monte Sereno

2. Communications and Marketing Update

Staff has been working to update and create new material with new branding and logo. An updated Fact Sheet has been added to the website for the public to access and printed copies will be made available to Board members to bring back to their cities to put into a public location.

Staff is also busy working to prepare for the April launch and notification of customers. Working with our web team to determine the correct structure for our website that is user friendly, where customers will be able to see information regarding GreenStart and GreenPrime including rates, % renewable content, an updated FAQ section and be able to Opt-Up to GreenPrime or Opt- Out. Also, crafting scripts for our Call-center team to follow, ensuring the information given by the customer call center staff is technically accurate and friendly.

3. Social Media Update

Silicon Valley Clean Energy has two social media pages on Facebook and Twitter. If you aren't already following SVCE on Facebook or Twitter please do, and tell your friends! Staff will also be reaching out to all cities, to make sure their pages are connecting with ours.

Statistics for these pages will be reported monthly, with the purpose of growing our reach over time.

Facebook: www.facebook.com/SVCleanEnergy

- October 2016
 - 162 Facebook followers
 - 25 page views
 - 15 total Likes for all posts
 - Average of 42 people saw our posts in October

Twitter: @SVCleanEnergy

- October 2016
 - 102 followers
 - 30 profile visits
 - 3 mentions (other Twitter users that mentioned @ SVCleanEnergy!)

The Board and all interested members of the public are encouraged to join our social media pages and help share our posts. We post regularly at least once a week, sharing CCE news, SVCE relevant information. If you have not already, we encourage you to follow our pages and spread the word about them!

SVCEA Board of Directors Agenda Planning

	DEC	JAN 2017	FEB	MAR	APR	MAY
MILESTONES	Extend Contracts w/ PEA, Sunnyvale, Greg S.	Set Rates Ph 1 Notice # 1	Ph 1 Notice # 2		Launch- Phase 1 Ph2 Notice #1	Ph2 Notice # 2
	December 14, 2016	January 11, 2017	February 8, 2017	March 8, 2017	April 12, 2017	May 10, 2017
ADMINISTRATION, POLICIES	Presentation on Rate Setting Provide feedback on Noticing Approve retirement plan for SVCE employees	Approve Rates	Approve Risk Management Policies & Procedures	Update on Operation Launch	Update on Operation Launch	Approve Strategic Plan
STAFFING	Staff Appointments	Staff Appointments				
CONTRACTS	Approve Power Supply Execution Sheets Approve Agmts w/Benefits Providers Approve Transaction Agreement with Power Suppliers Approve Contract for Vendor to Send Notifications					