

**MINUTES OF THE REGULAR MEETING OF THE DIRECTORS OF
CALIFORNIA COMMUNITY POWER (CC POWER)**

March 17, 2021

On this date, a Regular Meeting of the Directors of CC Power was held telephonically.

Representatives Present:

Member Agency	Director
Central Coast Community Energy (3CE)	Tom Habashi
East Bay Community Energy (EBCE)	Nick Chaset
Marin Clean Energy (MCE)	Dawn Weisz, Vice-chair
Peninsula Clean Energy (PCE)	Jan Pepper
Redwood Coast Energy Authority (RCEA)	Matthew Marshall
San José Clean Energy (SJCE)	Lori Mitchell
Silicon Valley Clean Energy (SVCE)	Girish Balachandran, Chair
Sonoma Clean Power Authority (SCP)	Geof Syphers

1. Call to Order: Chair Balachandran called the meeting to order at 1:06 p.m.
2. Verification of Meeting Quorum: Mr. Tony Braun of Braun Blasing Smith Wynne, P.C. verified quorum to proceed. Roll call was taken and attendance is noted above. All Directors present participated via teleconference.
3. Matters Subsequent to Posting the Agenda: Mr. Braun confirmed there were no matters subsequent to posting the agenda but brought to the Board's attention three public comment letters that were received. Chair Balachandran noted the letters will be posted to the website and will be addressed in item 6B.
4. Public Comment: Chair Balachandran invited comments from the public on matters not on the agenda. No public comment was offered.
5. Consent Agenda. Deputy Mayor Rick Bonilla of San Mateo, CA inquired as to whether the public would have an opportunity to discuss an item before there was a motion to approve the consent agenda. Chair Balachandran allowed time for public comment but none was offered after Deputy Mayor Rick Bonilla clarified that he was not offering comment but rather was speaking to a clarification of the process. Director Syphers moved, Director Habashi seconded, and a roll call vote was taken by Mr. Braun. The Directors unanimously approved the Consent Agenda.
6. Regular Agenda Items – Discussion and Possible Action:
 - A. Chair Balachandran reported on behalf of the *ad hoc* Subcommittee, consisting of Dawn Weisz, Lori Mitchell, Tom Habashi, and himself, an update regarding the selection of General Manager and General Counsel. Interim General Manager (GM) Jim Shetler is expected to complete his term by the end of May. The GM position is estimated at 15

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hours per month for general administration and 45 hours per month for LDS project support. Chair Balachandran provided an overview on the timeline and recommended the Board approve the draft job description and authorize the *ad hoc* committee to start the outreach and shortlisting. Chair Balachandran invited comments and direction from the Board. No questions or comments were received from the Board.

The *ad hoc* committee, with the assistance of SVCE General Counsel Greg Stepanacich, developed an RFP for the General Counsel (GC). The target timeline to issue the RFP is next week, with the expectation that the Board will be able to approve a GC selection at the May 19th meeting. Chair Balachandran recommended that the Board approve the RFP and authorize SVCE to manage the process to issue the RFP and approve the continued participation of Greg Stepanacich to assist with conducting interviews, selection, and negotiation.

No public comment was received and there was no Board discussion. Chair Balachandran asked for a motion to move forward with the recommendations. Director Marshall inquired whether anything more than silent approval was needed for the GM process, and Mr. Braun clarified that the resolution was limited to the GC services. Director Marshall moved, Director Habashi seconded, and a roll call vote was taken. All Directors voted unanimously in favor of Resolution 21-03-11 *Authorization to Issue RFP, Conduct Interviews, and Develop a Contract for General Manager Services*.

- B. Discussion of Draft Policies: Director Pepper noted that the *ad hoc* committee's draft policy was in the Board packet, and Chair Balachandran invited comments from the public.

James Ruigomez spoke on behalf of the Bay Area Building Trades Councils. He commended the Board and provided recommendations for modification of the draft policy to strengthen community development goals, including: (1) the inclusion of clear language to clarify the policy applies to all construction projects developed, (2) clarification that all projects will require prevailing wages and compliance with the Public Works Laws in the Labor Code, (3) ensure the negotiation of a community workforce agreement, and (4) require all contractors to use a 'skilled and trained workforce' as defined by Public Contract Code section 2601.

Luis Amezcua spoke on behalf of the Sierra Club. Mr. Amezcua appreciated the Board's efforts and support of the amendments proposed by Building Trades Council but would like to see additional language and improvement on prevailing wage, clarification to the project labor agreement language, and reducing threshold to below 5 MW. Mr. Amezcua suggested that, if any project is going to be contracted with CC Power or use public money, it should include a project labor agreement and emphasized the importance of requiring strong workforce standards. He was appreciative of the language ensuring projects be cited to minimize the effect on the environment but emphasized the importance of prioritizing the avoidance of environmental impacts. He suggested the Board work with labor and environmental stakeholders to strengthen the policies.

Tom Enslow, attorney for IBEW Locals 6 and 617, felt CC Power was moving in the right direction, but stated that a few substantive changes were needed to make the policies meaningful and clear. He raised concerns about the scope and substance of the proposed workforce policies, citing they were too vague and fell short in ensuring provisions to support workers and workforce development. With respect to the project labor agreement, he recommended (1) clarifying and defining "CC Power developed

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projects,” (2) eliminating the 20mw threshold, and (3) clarifying that the requirement to follow fair compensation practices was a requirement.

Alex Lantsberg, Research and Advocacy Director with the San Francisco Electrical Construction Industry, stressed drafting comprehensive policies was important in terms of getting projects through expeditiously and on time, and would ultimately set the baseline for ongoing work that would be critical in addressing our climate goals.

Deputy Mayor Rick Bonilla stated that he appreciated the efforts of the policy committee and recognized that they resemble PCE policies, which have served PCE well but are 5 years old. He reiterated that what IBEW and the Building Trades are asking for is recognition of areas where improvement was needed. He encouraged avoiding ambiguity so everyone knows what to expect from the relationship between labor and CC Power. He proposed a meeting between the policy committee and labor.

Chair Balachandran then invited comments and guidance from the Board and raised the question of how other load serving entities have incorporated some of the suggestions CC Power received.

Director Habashi noted that draft had only been distributed a few days ago and additional time for the Board to digest it was required to ensure consistency with what some of CC Power’s members were doing. He suggested pushing this item out a minimum of another month or two. Director Chaset agreed and stated that he welcomed the opportunity to have further dialogue.

Director Weisz stressed that, while the language was going in right direction, the real impact would be at the project development level. She appreciated the comments from the public and also wants to ensure efforts are focused on getting projects in the ground. Director Chaset agreed.

Director Pepper agreed with other comments made so far and requested input from any CCAs that were not a part of the *ad hoc* committee. She recommended meeting with the labor community and environmental, noting the need to consider the timing of policy development in conjunction with the long-term energy storage project timeline. Chair Balachandran and Director Pepper voiced support for meeting with labor and environmental organizations. Director Syphers proposed work on the two tracks in parallel, and Director Habashi concurred.

Chair Balachandran proposed a plan to move forward with a proposed meeting with labor and environmental groups while working in parallel to ensure the LDS project moved forward expeditiously without losing the urgency of getting broader policies in place.

- C. Mr. Shetler provided an update on administrative items, noting that filings had been made with the Secretary of State’s office and that the conflict of interest code was being reviewed by the FPPC. After finalization, it will be posted for public comment and brought back to the Board for approval. A CC Power bank account has been established and initial cash calls have been made. The four contracts approved at the last Board meeting have been executed. No comments were received from the Board.

With respect to the LDS project, Mr. Shetler noted the *ad hoc* Project Oversight committee had held two meetings and the focus had been narrowing project list for further evaluation. A second round of evaluations was under way, and the committee was hoping to finalize a short list of recommendations by mid-April. In parallel, the *ad hoc* committee has been working with the negotiating team. Director Pepper inquired

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about the plan for communicating the policy revisions to the bidders and determining whether that would impact their bidding/pricing. Mr. Shetler stated that the goal was to get the policies, at least as they applied to LDS project, finalized by the April meeting so they could be relayed to the short list candidates in order to determine whether they would have any impact on pricing. Chair Balachandran noted the Board would be given an opportunity at the April meeting to provide additional clarity and direction to the GM and the Project Oversight Committee (POC). Director Syphers suggested that thinking about developing a set of project conditions rather than a policy may help.

Mr. Shetler noted that the Board would have the opportunity to consider new members Clean Power San Francisco and Valley Clean Energy at the April meeting. If approved, a budget adjustment would be required and brought to the Board for consideration. GC selection and approval of the conflict of interest code are tentatively planned for May.

A possible June 16th Board meeting may be added to allow for GM selection. Director Habashi suggested moving the recommendations on CC Power policies to May or June and cited a desire to consider Director Syphers' proposal for parallel tracks. Chair Balachandran concurred. Mr. Shetler agreed to adjust the forecasted schedule and suggested that the *ad hoc* committee review the RFO requirements to see if any adjustments were needed. Chair Balachandran volunteered Monica Padilla, the chair of the POC, and Greg Stephanacich to attend an *ad hoc* committee meeting to provide background on issues raised under public comment for item 6B. Director Syphers accepted on behalf of the *ad hoc* committee.

- D. Chair Balachandran invited discussion on any individual member items. Director Syphers noted the CPUC is contemplating ordering significant procurement to replace Diablo Canyon. One recommendation contemplates procuring 1000 MW of geothermal. He requested that the Board consider the possibility of potentially procuring all of that and seeking cost recovery from other load serving entities through a CPUC charge. Chair Balachandran stated CC Power had been approached by those seeking to develop offshore wind. Director Habashi stated that he supports looking at geothermal and offshore wind and recommended working on locating smaller size storage capacity throughout the service area to help alleviate the problems with net peak load.

Chair Balachandran invited public comment, Deputy Mayor Bonilla thanked the Board for this discussion and urged keeping an open mind .

- E. Ms. Padilla introduced the Board workshop. Ascend Analytics was engaged by the POC to do a deep dive evaluation of the highest-ranking projects identified through the RFO. Brent Nelson, Manager of Forecasting and Market Analysis for Ascend, provided an informational overview on battery storage and CAISO market opportunity and risks. He emphasized: (1) CAISO is experiencing an influx of renewable energy creating volatility and opportunity for storage, (2) because California's renewable supply is solar heavy, long duration storage was needed to move it overnight for it to be clean, (3) what has been seen in the past was not a good indicator moving forward and forecasts must model volatility to properly value storage, and (4) the importance for forecasts to adhere to long-run equilibrium needs to be an import view for how the long term forecast evolves.


Director Syphers commended Mr. Nelson on a great briefing and asked if he could provide a wish list of three options for CC Power to negotiate into the long-term storage project, keeping in mind the sensitivities and risks found in his modeling, what would they be and what would he not want to lock in? Mr. Nelson emphasized that the most

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important thing is to leave as much operational flexibility as possible – being able to participate in the markets and being able to use it to get desirable revenue streams.

The Board of Directors adjourned at 2:55 p.m.

Minutes approved on April 21, 2021.

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C. Anthony Braun, Secretary