

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

April 21, 2021

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

Representatives Present:

<b>Member Agency</b>	<b>Director</b>
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 1:03 p.m.
2. Verification of Meeting Quorum: Mr. Tony Braun of Braun Blasing Smith Wynne, P.C. verified the quorum to proceed. Roll call was taken and attendance is noted above. All present Board members participated via teleconference.
3. Matters Subsequent to Posting the Agenda: None.
4. Public Comment: Chair Balachandran invited comments from the public on matters not on the agenda. No additional public comment was offered.
5. Consent Agenda. Chair Balachandran asked if any Board member wanted to pull any item off of the consent calendar for discussion. Director Pepper requested a correction to the Minutes of the Regular Board Meeting held on March 17, 2021 to correct the spelling of Deputy Mayor Rick Bonilla's name. The correction was noted by Chair Balachandran. Director Syphers moved for consent; Director Weisz seconded. Chair Balachandran invited comments from the public and none were offered. A roll call vote was taken by Mr. Tony Braun, and all Directors unanimously approved the Consent Agenda.
6. Regular Agenda Items – Discussion and Possible Action:
  - A. Chair Balachandran reported on the General Manager selection process. The *ad hoc* Subcommittee is in the process of shortlisting, and the Subcommittee is on track to bring a GM selection to the June Board meeting. No questions or comments were received from the Board.
  - B. Chair Balachandran reported on the selection of General Counsel. CC Power issued a Request for Proposals on March 24, 2021, and responses were received on April 12. Greg Stepanicich, General Counsel for Silicon Valley Clean Energy, has been assisting

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with the process. The Subcommittee is on track to bring a GC recommendation to the May 19 Board meeting. Chair Balachandran invited comments from the public on the Selection of GM and GC and none were offered.

- C. The *ad hoc* committee for Policy Development provided an update. Mr. Shetler also noted that the committee had the opportunity to meet with representatives from the unions and the environmental community. It was a very productive meeting with a lot of dialogue and input, and it is the intent of the committee to review that input as they consider policy development going forward.

With regard to the LDS procurement efforts, the intent is to have a shortlist of recommended projects by the end of April. This will be done by the *ad hoc* Project Oversight Committee, who will provide a recommendation to the GM.

Mr. Shetler noted that the Board Packet included a suggestion for language for the LDS Project procurement conditions. CC Power is in a unique situation in that it has inherited the results of the RFO, and the proposals that have been provided, in the middle of evaluation. CC Power and the participants in the LDS Project are sensitive to the issues that have been raised during public comment and want to address as much as possible, recognizing where CC Power is in the process, and consider these issues as part of the evaluation. He stated that the Project Oversight Committee (POC) was recommending that the Board consider the language in the packet regarding workforce, environment, and environmental justice and that they would be asking for Board approval on a set of language to be used in the evaluation and, to the extent appropriate, incorporated into any agreements negotiated for the LDS project. Chair Balachandran invited discussion and clarification questions from the Board.

Director Weisz asked whether, if the language was going to incorporate Project Labor Agreement (PLA) related language, it would also include a no disparagement clause. Director Weisz noted some concerns with disparagement issues that were currently happening related to IBEW 1245 and Stockton specifically naming MCE. Director Weisz questioned whether this had come up in discussion with the committee. Mr. Shetler noted the issue had been raised at a high level but not specifically related to the LDS Project. Director Weisz requested that, if PLA language was going to be included for the LDS Project, a no disparagement clause also be included.

Director Habashi asked whether it was the plan to take this language and share it with the parties that CC Power would be negotiating with. Mr. Shetler noted that the POC had sent some surveying questions to the proposers around different aspects of the proposals. Chair Balachandran then invited comments from the public.

Public comment was received by James Ruigomez on behalf of the Federation of Bay Area Building and Construction Trades Councils. Mr. Ruigomez spoke to the recommendations for the LDS project enhanced conditions from staff and noted it was a good start. Mr. Ruigomez, however, noted that it was important that CC Power policies go further to ensure quality craftsmanship, apprenticeship standards, and local hiring opportunities. He suggested that one way to improve the language and ensure apprentices were used on the project was to insert language complying with California labor code.

Public Comment was received by Brett Garrett from Santa Cruz. Mr. Garrett supported the proposed enhanced conditions and proposed two additions. First, under the environmental considerations, he requested inclusion of a strong preference for using

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environmentally friendly materials that could be easily recycled. Second, he asked that there be a very strong preference for local projects within the service territories or distributed throughout the service territories. Mr. Garrett further advocated for local projects that employ local workers, reducing dependence on transmission infrastructure, and providing local resiliency in case the transmission network goes down. Finally, he asked that CC Power support microgrids and virtual power plants.

Public Comment was received by Thomas Enslow representing IBEW 617/IBEW Local 6. Mr. Enslow thanked Mr. Shetler and the members of the policy subcommittee for meeting with stakeholders to discuss the adoption of formal CC Power labor and environmental policies. He indicated support for the recommendations with some suggested changes. Rather than generally saying there was a requirement to pay prevailing wage, Mr. Enslow suggested it would be more useful to cite the specific standards and provided language to Mr. Shetler which included labor code provisions setting forth prevailing wage requirements and prevailing wage apprenticeship requirements.

Public Comment was received by Melissa Yu representing the Sierra Club. Ms. Yu thanked the committee for the policy work that has been done so far, and voiced appreciation for the ongoing discussions. She asked that the environmental policy section be more explicit. Specifically, Ms. Yu requested that CC Power implement suggestions that Sierra Club sent to the Board in a letter on February 22. Regarding the workforce development section, Sierra Club agrees with the suggestions of the labor advocates.

Public Comment was received by Deputy Mayor Rick Bonilla. Deputy Mayor Bonilla applauded the committee and the Board for moving forward with a policy for the LDS Project.

After confirming there were no further public comments, Chair Balachandran invited comments from the Board.

Director Syphers requested that Mr. Shetler review the requests that were received after preparation of the Board Packet. Mr. Shetler noted that he'd had additional dialogue with representatives from the unions and with CC Power and member counsel.

Director Habashi indicated concern with including a large number of codes in the policy statement, preferring that the policy statement stand on its own.

Director Weisz proposed that additional language be considered in the policy to indicate that union representatives to an agreement agree to not make any verbal or written comments about CC Power or its Members that are untrue or inaccurate, and doing so would cause the agreement to be void.

Mr. Stepanicich noted that, with regard to the no disparagement clause proposed by Director Weisz, to the extent there is a PLA, language can be inserted, but if there is no PLA, the unions would not be a party so the clause would not be enforceable. One possibility would be to have a separate side letter agreement.

The following language was proposed and added to Resolution 21-04-14: "WHEREAS, CC Power shall include additional provisions such as non-disparagement clauses to support specific projects."

Director Pepper moved to approve Resolution 21-04-14 as amended, Director Habashi seconded, and a roll call vote was taken. All Directors voted unanimously in favor of Resolution 21-04-14 *Recommendation of Long Duration Storage Project Conditions*.

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- D. Mr. Shetler introduced the next Resolution related to the approval of CleanPowerSF and Valley Clean Energy as Members of CC Power. Mr. Shetler shared that CleanPowerSF and Valley Clean Energy had expressed interest in joining CC Power and have submitted the required documentation to become Members, as indicated by the Joint Powers Agreement. Mr. Shetler recommended that the Board approve CleanPowerSF and Valley Clean Energy as new Members.

Chair Balachandran invited comments from the Board but none were offered. Chair Balachandran then invited comments from the public and none were offered.

Mr. Mitch Sears of Valley Clean Energy and Ms. Barbara Hale of CleanPowerSF voiced their appreciation for the consideration of Valley Clean Energy and CleanPowerSF, respectively, as Members.

Director Habashi moved to approve Resolution 21-04-09, Director Chaset seconded, and a roll call vote was taken. All Directors voted unanimously in favor of Resolution 21-04-09 *Approval of Clean Power San Francisco and Valley Clean Energy to Become Members of California Community Power.*

- E. Mr. Shetler provided an update on the Revised 2021 Annual Budget for CC Power and noted that the revised budget reflected adjustments related to two primary issues: 1) at the previous Board Meeting, the Board concurred with the recommendation to adjust the hours for the GM to roughly 60 hours a month, so this version reflects that change; 2) the two new members approved by the Board in the previous discussion also require that the budget be updated to reflect the addition of those members and any additional participation in the LDS Project. Budget allocations were also revised to reflect these changes. Mr. Shetler requested that the Board approve the revised budget and allocations.

Chair Balachandran invited comments from the Board, and none were offered, so he invited comments from the public. No public comment was offered.

Director Syphers moved to approve Resolution 21-04-12, Director Weisz seconded, and a roll call vote was taken. All Directors voted unanimously in favor of Resolution 21-04-12 *Approval of Revised 2021 Annual Budget for CC Power to Reflect Addition of New Members and Consequent Allocation of Certain Costs.*

- F. Mr. Shetler indicated that the update on the LDS Project, which was the next agenda item, had already been covered in the previous policy discussion and recommended moving to the following agenda item.
- G. Mr. Shetler presented the proposed CC Power Project Development Process to the Board and noted that there had been discussions with the *ad hoc* Project Oversight Committee regarding how CC Power would manage projects. During the course of formation, there had been discussions regarding a phased approach. Mr. Shetler then presented the White Paper contained in the Board Packet. The White Paper lists phases 0-3 as (0) project conceptualization, (1) project exploration, (2) subscription/negotiations, and (3) project commitment. The intent would be to develop an initial budget for a project as well as an initial participation agreement. Mr. Shetler recommended that any projects to be considered by CC Power should have a Member sponsoring the project. Assuming there was a project of interest, CC Power would then explore the details of that project in Phase 1. Depending on the project and the outcome of Phase 1, a set of proposals would go forward into negotiations. Phase 2 would then include the initial identification of Member subscription.

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Mr. Shetler noted that the LDS Project is in a slightly different situation, as CC Power has been handed the project in mid-stream; the conceptualization was done in the RFO as well as part of the project exploration. Mr. Shetler anticipated that, by May, the POC would be determining initial Member subscription and finalizing agreements that need to be executed. Chair Balachandran invited comments from the Board.

Director Habashi clarified that the Board would be briefed on how negotiations were going. Mr. Shetler indicated that the Board would be kept apprised of the process, either through the Member's representative on the POC or via GM updates.

Chair Balachandran invited comments from the public and none were offered. Mr. Shetler recommended that the Board accept the general project development process, approve delegations to the Interim GM for the LDS project, and establish an *ad hoc* committee of the Board.

Director Habashi moved to approve Resolution 21-04-13, Director Pepper seconded, and a roll call vote was taken. All Directors voted unanimously in favor of Resolution 21-04-13 *Acceptance of CC Power Proposed Project Development Process and Approval of Delegations to Interim General Manager.*

- H. Mr. Shetler then introduced a Resolution requesting approval of CC Power Non-disclosure and Exclusivity Agreements for ESSA Negotiation. Mr. Shetler reiterated that the POC was getting close to finalizing the LDS Project round 2 evaluations and shortlisting. He noted that there were agreements that were needed to move forward with those selected on the shortlist, including a non-disclosure agreement and an exclusivity agreement, and that these agreements had been developed by the negotiating team. Mr. Shetler then requested that the Board approve the agreements and delegate authority to the GM to execute the agreements once the shortlisting process was complete. Mr. Braun noted that the agreements had been reviewed and revised by the GM and GC and circulated to the POC for comment. Director Syphers indicated that CC Power should develop a policy to delegate authority for Staff to be able to move forward with these types of contracts without bringing them to the Board.

Director Syphers then moved to approve Resolution 21-04-15, Director Habashi seconded, and a roll call vote was taken. All Directors voted unanimously in favor of Resolution 21-04-15 *Approval of CC Power Non-disclosure Agreement and Exclusivity Agreement for ESSA Negotiation.*

- I. Chair Balachandran invited discussion of any individual member items and requested Board input on what CC Power may do in the future to start off the discussion.

Director Habashi raised a few options that could be discussed, including consideration of small scale distributed storage development.

Director Chaset shared two ideas. One was a joint effort around demand response, as one of the challenges the Members have with DR is that Member service territories are smaller than the broader PG&E TAC area, for instance, which limits some opportunities for load modifying DR currently under CPUC rules. He also raised the possibility of considering back office efficiencies to be pursued through CC Power, either through data management services, customer services, or scheduling. Each Member is individually paying vendors, and there are real cost efficiencies that could be gained.

Director Syphers offered two ideas. First, having CC Power consider, in one or two years, becoming a central administrator for all CPUC funded programs could be very effective

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and allow the CCAs to focus on the delivery of those programs and the administration rather than the paperwork and the processing. Additionally, in the near term, the Diablo Canyon replacement proceeding at the CPUC is closing in on what the ordered procurement is going to be.

Director Marshall also brought up offshore wind as a topic of interest.

There was no additional discussion of individual member items.

Chair Balachandran adjourned the meeting at 2:45 p.m.

Minutes approved on May 19, 2021.

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C. Anthony Braun, Secretary