

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

August 18, 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
Clean Power San Francisco	Barbara Hale
East Bay Community Energy (EBCE)	Absent
Marin Clean Energy (MCE)	Dawn Weisz
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
Valley Clean Energy	Mitch Sears

1. Call to Order: Chair Balachandran called the meeting to order at 1:02 p.m.
2. Verification of Meeting Quorum: Ms. Brittany Iles of Braun Blaising Smith Wynne, P.C. verified that there was a quorum to proceed. Attendance is noted above. All Directors present 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. Public comment was received from San Mateo Deputy Mayor Rick Bonilla, who encouraged the Board to move forward with labor policies. Public comment was also received from James Ruigomez, who encouraged a robust conversation on labor policies and offered support of a project labor agreement or community workforce agreement.
5. Consent Agenda: Chair Balachandran invited questions from the Board on the Consent Agenda, and there were none. Director Marshall moved, Director Pepper seconded, a roll call vote was taken, and all directors present approved the Consent Agenda.
6. Regular Agenda Items – Discussion and Possible Action:
  - A. Chair Balachandran announced that the *ad hoc* committees created to assist with the selection of General Manager and General Counsel had been dissolved. He also announced that the Long Duration Storage (LDS) *ad hoc* committee had been expanded to include Directors Mitchell and Sears. This committee will provide support to Interim General Manager Haines and the negotiating team in the final stages of the LDS project.

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Chair Balachandran invited questions from the Board and comment from the public and did not receive any.

- B. Mr. Haines stated that he would convene the *ad hoc* Policy committee and work with them to finalize the Labor, Environmental and Environmental Justice policy. He noted that Director Hale had offered to provide administrative support to schedule those meetings.

Mr. Haines reviewed the upcoming Board calendar and noted that in September the Board would be asked to issue a notice of its intent to adopt LDS projects. Additionally, he expects to seek Board approval to issue a request for offer (RFO) on geothermal and biomass resources along with an associated budget. An October Board meeting was added to discuss the 2022 budget. The LDS contracts and 2022 budget are expected to be brought to the Board in November. A December Board meeting was also added to address any unresolved matters. Chair Balachandran invited questions from the Board, there were none. Public comment was received by Bill Nack, who inquired if an update will be provided on the *ad hoc* policy committee's progress before a recommendation is made. Chair Balachandran confirmed that an update will be provided at the next meeting.

- C. Long Lead Time RFO: Mr. Haines notified the Board of the POC's intent to seek authority to issue an RFO for geothermal and biomass resources in September, which will be accompanied by an associated budget. He noted that the work done on the LDS contracting effort would help to streamline the process and reduce the overall costs. The expectation is that the contracting approach that was developed for the LDS projects would be beneficial in this contracting effort, with additional savings expected from having identified improvements in the bid evaluation, review, and approval processes. Jeanne Solé, San Jose Clean Energy's Deputy Director, Power Resources, is leading this effort on behalf of the membership and has put forth a tentative schedule from the RFO release through the target date. Chair Balachandran noted a typo in the presentation (SCP replaces an incorrect SCE reference).

Director Hale asked for clarification on the upcoming RFO budget and 2022 budget and how those relate to the current budget. Mr. Haines explained that a portion of the budget adopted in February was allocated for day-to-day operations and a portion was allocated to the LDS project. He expects the geothermal and biomass RFO would similarly have a separate and distinct budget. He anticipates the 2022 budget for day-to-day operations would have a similar structure to the budget adopted in February. Director Hale was interested in how the Board will budget for the crossover efficiencies created by the work done on the LDS project. Director Sears inquired if the RFO budget will be structured to be a stair step approach, similar to the LDS budget. Mr. Haines confirmed it would be similar, though the details are still being developed. Chair Balachandran asked Ms. Iles to send the overview of the project phases to the Board and encouraged the Board to reach out to their members on the POC. Public comment was received from Rick Bonilla who inquired about the typo. Chair Balachandran clarified the slide should read SCP not SCE. Chair Balachandran invited further comments from the Board and did not receive any.

- D. Long Duration Storage Update: Mr. Haines noted certain challenges encountered with contracting, as CC Power is a new entity without a prior track record. The POC members have developed a contract structure that provides appropriate limits on participant liability and has led to a project that is financeable; as a result, contract negotiations are being

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finalized. This will make it possible to issue notice of CC Power's intent to enter into LDS contract(s), leading to a 60-day review and approval process.

Director Habashi asked for clarification of the 60-day notice and whether it was intended to give members time to bring it before their individual boards for approval. An exchange between Director Habashi, Chair Balachandran, and Ms. Iles followed regarding the 60-day notice timeline required by the JPA, which resulted in a clarification from Chair Balachandran, who outlined the following: in September, CC Power plans to provide a 60-day notice, so November would be the earliest CC Power could enter into agreement(s); after that, the members would seek approval from their individual boards. Director Habashi further inquired as to whether costs would be absorbed by the participating members if a member dropped out of the project after the notice period. Ms. Iles stated that if a member drops out at that point, then an amendment would likely start the 60-day clock again. Directors Pepper and Hale asked what information would be provided with the 60-day notice, and Director Pepper also inquired as to whether the Board vote would obligate members to participate in the project. Ms. Iles stated that the JPA did not specify what the notice will entail, and as this is still being worked out by the POC, an update would be provided at a later date. She also clarified that when the directors voted on the agreement(s), they would be providing approval and committing to bring any agreement(s) to their individual boards. Director Sears suggested that a project flow chart would be helpful. Public comment was received from Rick Bonilla who said he would like to see the 60-day notice process flow chart and asked for additional clarification. No further comments were received from the Board.

- E. Mr. Haines provided an overview of the budget adjustment for the allocation of incremental costs for the LDS project. Directors Weisz and Habashi confirmed that MCE and 3CE were choosing not to move forward with any LDS projects past their existing September obligation. Director Habashi suggested the possibility of reducing the allocation to MCE and 3CE to include only development costs of the Project Participation Agreement and/or other overhead costs. After further discussion regarding this proposal and review of a version of the proposed budget less MCE and 3CE, Director Weisz noted that, she was unsure how she could justify further contribution to the contracting effort past September. Director Pepper noted that she only had authorization for up to \$100,000, so any additional changes resulting in PCE's share exceeding that amount would require her to go back to her board. Public comment was received from Rick Bonilla who requested clarification regarding the final budget numbers and whether those figures would be published. Director Pepper asked whether the vote could be delayed to September or to an email vote the following week, and Ms. Iles responded that an email vote was not possible, and any delay would require a special, properly noticed meeting. Chair Balachandran suggested moving forward with the version of the proposed budget excluding MCE and 3CE. Director Hale asked for clarification regarding what was being committed to, and Chair Balachandran stated that passage of this budget would commit those who were moving forward through December. Ms. Iles also stated that a revised cost sharing agreement would be circulated for signature should the budget resolution pass. Resolution 21-08-01 was amended to read "as amended to exclude Marin Clean Energy and Central Coast Community Energy from further commitment in excess of the budget amount approval at the June 16, 2021, Board Meeting and to reallocate those funds to the remaining members." Directors Mitchell offered support for the resolution and thanked everyone for the work that went into this effort. Director Syphers also supported and stated how valuable he felt this joint procurement process was. Director Mitchell moved, Director Hale seconded, and a roll call vote was taken. All directors

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present approved Resolution 21-08-01 *2021 Budget Adjustment to Reflect Long Duration Storage Project Costs and Authorization of Cash Call through December 31, 2021* as amended.

- F. Chair Balachandran invited discussion of any individual member items. Director Syphers shared that he had met with water agencies in his territory who were looking at 5-15 year projects that could consume vast amounts of electricity in order to protect water supplies and encouraged other members reach out to their water districts/supply entities to understand what they may be planning. Director Hale noted that another drought-related impact was that entities were being asked to curtail and conserve their water delivery, which in turn meant they were not generating as much electricity. As a result, the same drought incentive driving a desire for more electricity is also driving a potential reduction in hydro generation in the market; trying to resolve those conflicting directives could mean less electricity available from hydro generation. Chair Balachandran mentioned that SVCE and EBCE were partnering on a clean energy power pre-pay and would be issuing 30-year bonds which are expected to result in a \$3-4/mWh discount.

The Board of Directors adjourned at 2:28 p.m.

Minutes approved on September 15, 2021.

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C. Anthony Braun, Secretary