

**Clean Energy Alliance - Board of Directors
Special Meeting Minutes
December 17, 2021, 2:00 p.m.
Virtual Meeting
Teleconference Locations Per Government Code Section 54953(3) (Assembly Bill 361)**

CALL TO ORDER: Chair Becker called to order the special meeting of the Clean Energy Alliance at 2:00 p.m.

ROLL CALL: Druker, Inscoe, Musgrove, Vice-Chair Bhat-Patel, Chair Becker

FLAG SALUTE: Chair Becker led the flag salute.

OATH OF OFFICE – CITY OF ESCONDIDO BOARD MEMBER AND ALTERNATE BOARD MEMBER: Interim Board Clerk Susan Caputo administered the Oath of Office to incoming Board Member Inscoe and Alternate Board Member Marasco.

BOARD COMMENTS & ANNOUNCEMENTS: None

PRESENTATIONS

- 1) Fiscal Year 2020/2021 Annual Comprehensive Financial Report Presentation –
Ryan Domino, Sr. Manager, Lance, Sol & Lunghard, LLP

CEO Barbara Boswell made opening comments and expressed gratitude to Interim Chief Financial Officer and Treasurer Marie Berkuti for her work in working with the auditors in providing all the requested information and documentation and preparing the schedules resulting in a positive report from the auditors and Ryan Domino of Lance, Sol and Lunghard, LLP presented process and results of the audit.

- 2) Update from Community Advisory Committee Chair

CEO Boswell commented on the Community Advisory Committee and the enthusiasm and passion of the members that believe in the mission of the Clean Energy Alliance and want to help CEA achieve its goals. Chair Worden gave an update of the meeting commenting on the positive feedback of the committee regarding adding members from the cities of Escondido and San Marcos; commented on the review of the key items in the Climate Action Plans of the member cities and noting what other CCEs and CCAs are doing in terms of program promotion; and stated that a summary of recommendations will be brought to the CEA Board.

PUBLIC COMMENT: None

Consent Calendar

Item 1: Reconsideration of the Circumstances of the COVID-19 State of Emergency to Determine Whether the Legislative Bodies of Clean Energy Alliance will Continue to Hold Meetings Via Teleconferencing and Making Findings Pursuant to Government Code Section 54943(e)

RECOMMENDATION

Continue meetings by teleconferencing pursuant to Government Code Section 54943(e), finding that: (1) the Board has reconsidered the circumstances of the state of emergency created by the COVID-19 pandemic; and (2) the state of emergency continues to directly impact the ability of the members to meet safely in person.

Item 2: Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021

RECOMMENDATION

Receive and file Clean Energy Alliance's (CEA) Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021.

Motion by Board Member Druker, second by Board Member Inscoe, to approve the consent calendar. Approved unanimously, 4/0

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New Business

Item 3: Adopt Resolution 2021-015 Authorizing the City of San Marcos to Become a Party to the Joint Powers Agreement and a Member of the Clean Energy Alliance and find that the addition of the City of San Marcos to the Clean Energy Alliance is exempt pursuant to 14 Cal. Code Regs. § 15378(b)(5) from the requirements of the California Environmental Quality Act

RECOMMENDATION

1) Adopt Resolution No. 2021-015 authorizing the City of San Marcos to Become a party to the Joint Powers Agreement and a member of the Clean Energy Alliance. 2) Find that the addition of the City of San Marcos to the Clean Energy Alliance is exempt from the requirements of the California Environmental Quality Act ("CEQA"), as it involves organizational and administrative activities of government that will not in direct or indirect physical changes on the environment, and therefore is not considered a "project." (14 CAL. Code Regs § 15378(b)(5)).

CEO Barbara Boswell presented the item indicating that through its evaluation process, San Marcos concluded that joining CEA was the best option for bringing community choice energy to its community. The City has adopted an ordinance establishing a Community Choice Energy program and has adopted a resolution to join CEA.

CEA has evaluated load data and the analysis concluded that adding San Marcos had a positive impact on CEA. An Amended Implementation Plan will be prepared and returned to the Board for consideration at the December 30, 2021, regular meeting.

**Motion by Chair Becker, second by Board Member Druker, to approve staff recommendation.
Approved unanimously, 4/0.**

Item 4: Receive Update on Proposed Changes to San Diego Gas & Electric Net Energy Metering Tariffs and Consideration of Sending a Letter Commenting on the Proposed Changes

RECOMMENDATION

Direct staff to draft a letter for Board Chair signature commenting on the California Public Utilities Commission proposed changes to the San Diego Gas & Electric Net Energy Metering Tariffs, to be delivered to Governor Newsom and California Public Utilities Commissioners.

CEO Boswell introduced the item indicating that the Public Utilities Commission is considering changed to the SDG&E Net Energy Metering (NEM) tariffs which would impact customers that install systems such as rooftop solar and establishes how those customers are compensated and how they are charged for energy.

Special Counsel Ty Tosdal reported on the NEM 3.0 Proposed Decision and indicated that CEA has its own NEM schedule that will not be directly affected by the Decision, but these Decisions affect a large number of solar customers and the solar industry indirectly affecting CEA as customers compare Utility NEM rates with CEA NEM rates when determining which program to select. Mr. Tosdal stated that the CPUC endorsed Utility arguments regarding the cost shift stating that compensation was too generous and that other customers were subsidizing rooftop solar owners, and that the rates disadvantaged low-income customers. Mr. Tosdal stated that there were two previous iterations of NEM, and this Decision is known as NEM 3.0. A major change of this Decision is export compensation which bases the rate on an avoided cost calculator which reduces compensation as much as 20 to 25 cents/kWh, limiting incentives for rooftop solar customers. In effort to provide some incentives Market Transition Credits will be available to PG&E and SCE territory customers but not available in SDG&E territory due to the intended payback period to rooftop solar customers of ten years. Mr. Tosdal indicated that SDG&E rates are historically high, and the previous compensation was set at the higher rate and the payback periods tend to be shorter, so it was decided that no further incentive was necessary. Non-residential customers are also exempt from Market Transition Credits. A monthly grid participation charge based on the size of the system would be assessed for residential customers at \$8 per kWh. And eligible rate schedules would be limited to one per utility. Grandfathering would transition to the new NEM 3.0 no more than 15 years after customer interconnection rate. Lastly, implementation would be complete 12 months after the Decision. Mr. Tosdal noted that the possibility of the Decision being voted on by four members rather than five exists due to the appointment of Commissioner Martha Guzman Aceves to the Environmental Protection Agency (EPA) Administrator for Region 9 by President Biden.

Chair Becker inquired regarding when the rates are raised for NEM customers if they are lowered elsewhere. Mr. Tosdal indicated that there is no corresponding reduction.

Board Member Druker inquired regarding any distribution fee paid by solar customers. Mr. Tosdal indicated that NEM 1 or 2 allows for netting out some distribution charges if enough power is created. NEM 3 does not allow for that.

Vice-Chair Bhat-Patel indicated her support for submitting a letter as well.

Board Member Inscoe inquired regarding the vote with four commission members and Mr. Tosdal indicated that four commissioners would be a quorum.

Motion by Board Member Druker, second by Vice Chair Bhat-Patel, to signature commenting on the California Public Utilities Commission proposed changes to the San Diego Gas & Electric Net Energy Metering Tariffs, to be delivered to Governor Newsom and California Public Utilities Commissioners. Approved unanimously, 4/0.

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS: Chair Becker requested that a Closed Session be scheduled for the review of Chief Executive Officer Barbara Boswell in January.

ADJOURN: Chair Becker adjourned the meeting at 2:52 p.m.

DocuSigned by:

Susan Caputo

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Susan Caputo, MMC
Interim Board Clerk