
MEETING MINUTES
February 4, 2020
6:45 PM

I. Call to Order & Orders of the Day

Roll Call

PRESENT: Anthony Strawa, Ben Foster, Ruth Merino, Gerald Gottheil, Matt Mahan

ABSENT: Daniel Zazueta

STAFF: Director of Community Energy Lori Mitchell, Deputy Director of Account Management and Marketing Zachary Struyk, Deputy Director of Power Resources Jeanne Sole, Interim Commission Secretary Elise Doan

Call to Order & Orders of the Day

Chair Foster convened the Clean Energy Community Advisory Commission at 6:57 p.m. in Room T-1446 of City Hall, 200 E. Santa Clara Street, CA 95113, once the Commission had enough for a quorum.

II. Public Record

None on file.

III. Public Comment

No public comment.

IV. Consent Calendar

Approve the minutes for the special meeting of January 14, 2020.

Documents Filed: January 14, 2020 special meeting minutes.

Action: Upon motion by Commissioner Merino and seconded by Chair Foster and carried, the minutes were unanimously approved. (5-0-0 Absent: Zazueta)

V. Reports and Information Only

A. Deputy Director Struyk gave a department update to the commission. Commission discussion ensued.

VI. New Business

A. Power Charge Indifference Adjustment (PCIA) and Allocation of Resources- Action Community Energy Department Director Lori Mitchell provided an update on current and upcoming PCIA and allocation of resources initiatives and challenges. Commissioners asked questions and offered support. Commission discussion ensued. *ACTION: Upon motion by Commissioner Merino, seconded by Commissioner Mahan and carried, the Commission approved CECAC recommendation to Council with discussed revisions. (5-0-0)*

Documents filed: CECAC Nuclear Allocation Pres final 02.04.20 and CECAC Final Recommendation (attached)

B. Ad Hoc Committee Presentation- No Action

Commissioner Gottheil shared input on new commissioner welcome kit and put forth action for the next meeting. Commissioner Strawa had no new updates. Commission discussion ensued.

C. Budget, financial performance and forecast for SJCE FY18/19 and 19/20 Review- No Action

Deputy Director Struyk shared SJCE budget, financial performance and forecast for FY 2019-2020. Commissioners had questions. Director Mitchell and Deputy Director Struyk provided answers. Commission discussion ensued.

Documents filed: SJCE Financials 1819 YTD June 30 Audited and 1920 YTD Dec 31

VII. Old Business

There was no old business.

VIII. Meeting Schedule and Agenda Items

The next regular meeting will be March 3, 2020 at 6:15 pm., T-1446.

IX. Adjournment

Chair Foster adjourned the meeting at approximately 8:47 p.m.

BEN FOSTER, CHAIR

ATTEST:
CLEAN ENERGY COMMUNITY ADVISORY SECRETARY

ELISE DOAN, INTERIM COMMISSION SECRETARY

CECAC RECOMMENDATION TO COUNCIL

The Clean Energy Community Advisory Commission (CECAC) concurs with SJCE's recommendation that the City Council accept its allocation of greenhouse gas-free (GHG-free) attributes from large hydropower and existing excess nuclear power generation as part of an agreement set out in PG&E Advice Letter 5705-E, if SJCE staff analysis determines that the benefits of accepting the allocation outweighs the risks. Specifically, these risks include 1) whether SJCE will still be able to support the broader CCA movement by joining them to contest the inclusion of nuclear in the PCIA, plus actively participate in other PCIA actions, 2) the assessments of likely impacts to SJCE's "clean" image or opt-out rates due to nuclear appearing on the Power Content Label, and 3) the level of confidence that acceptance of the allocation will not increase nuclear usage or extend the life of Diablo Canyon.

In October 2018, the California Public Utilities Commission required CCA customers to pay for nuclear power by including it in the Power Charge Indifference Adjustment (PCIA) fee. SJCE, all the other California CCAs, and their advocates opposed this decision. SJCE and other CCA customers are currently paying hundreds of millions of dollars for utility-owned generation including nuclear energy via the PCIA, but SJCE cannot claim that portion of carbon-free energy. By accepting the allocation, SJCE can correct what is essentially an accounting inaccuracy, while maintaining SJCE's stated goals for carbon neutrality and renewable power. The CECAC does not recommend purchasing any additional nuclear if it becomes available.

Given that SJCE is already required to pay for the very expensive nuclear energy via the PCIA, the CECAC agrees that the financial benefits will allow SJCE to bolster its operational reserves to shield customers from potential volatility from the PCIA, PG&E bankruptcy, and other factors, as well as perhaps expedite investment in local resilience by buying/building more local renewable energy and storage. Based on these assumptions and a favorable risk-benefit analysis or risk mitigation plan, the CECAC recommends that the City Council approve the recommendation that SJCE accept its nuclear and hydro allocation.