



## DESERT COMMUNITY ENERGY

### Board Meeting Agenda Monday, April 16, 2018 2:30 p.m.

Coachella Valley Association of Governments  
73-710 Fred Waring Drive, Palm Desert  
Suite 200 Conference Room  
(760) 346-1127

THIS MEETING IS HANDICAPPED ACCESSIBLE.  
ACTION MAY RESULT ON ANY ITEMS ON THIS AGENDA.

1. **CALL TO ORDER**

2. **ROLL CALL**

A. **Member Roster**

**P3**

3. **PUBLIC COMMENTS**

This is the time and place for any person wishing to address Desert Community Energy on items not appearing on the agenda to do so.

4. **BOARD MEMBER / DIRECTOR COMMENTS**

5. **CONSENT CALENDAR**

A. **Approve minutes of March 19, 2018 Desert Community Energy Board meeting**

**P4**

B. **Adoption of DCE Administrative and Operational Policies**

**P8**

C. **Authorization to join CalCCA as Operational Member**

**P15**

6. **DISCUSSION / ACTION**

A. **Update on Our Progress— Tom Kirk**

**P16**

Information only.

- B. Approve Desert Community Energy Rate Schedule and Net Energy Metering program – Katie Barrows P18**

**Recommendation:** Approve:

1. Adoption of Resolution 2018-01 to approve Desert Community Energy rate schedule effective August 1, 2018; and
2. Approve Net Energy Metering (NEM) program for existing and future solar customers.

- C. Power Procurement Presentation – Jeff Fuller**

Information only.

- D. Approve Desert Community Energy Product Names – Benjamin Druyon P32**

**Recommendation:** Select a product name for two DCE offerings, the basic or default product and the premium, 100% carbon-free product.

- E. Community Engagement and Outreach – Erica Felci P33**

**Recommendation:** Authorize the Executive Officer to execute any agreements necessary and approve expenditures related to printing and distribution of enrollment notices and the community engagement efforts outlined in approved contracts, for not to exceed \$160,000.

**7. INFORMATION**

- 1) Attendance Roster

**P34**

**8. ANNOUNCEMENTS**

Upcoming Meetings at 73-710 Fred Waring Drive, Suite 200, Palm Desert

The next Board Meeting of Desert Community Energy will be on May 21, 2018 at 2:30 p.m.

**9. ADJOURNMENT**

## **ITEM 2A**



# **DESERT COMMUNITY ENERGY**

**Board Meeting**

**April 16, 2018**

<b>Desert Community Energy Board Members</b>	
City of Cathedral City	<b>Shelley Kaplan, Chair</b> Councilmember
City of Palm Desert	<b>Sabby Jonathan, Vice Chair</b> Mayor
City of Palm Springs	<b>Geoff Kors</b> Councilmember

<b>Ex-Officio / Non-Voting Members</b>	
City of Desert Hot Springs	<b>Yvonne Parks</b> Councilmember

<b>Staff</b>
Tom Kirk, Executive Director
Katie Barrows, Director of Environmental Resources
Erica Felci, Governmental Projects Manager
Benjamin Druyon, Management Analyst

## **ITEM 5A**



# **DESERT COMMUNITY ENERGY**

## **Board Meeting Minutes**

**March 20, 2018**

### **1. CALL TO ORDER**

The meeting of the Desert Community Energy Board was called to order by Chair Kaplan at 2:33 p.m. on March 20, 2018.

### **2. ROLL CALL**

Roll call was taken and it was determined that a quorum was present.

#### **Members Present**

Councilmember Shelly Kaplan, Chair  
Mayor Sabby Jonathan. Vice Chair  
Councilmember Lisa Middleton  
(Alternate)

#### **Agency**

City of Cathedral City  
City of Palm Desert  
City of Palm Springs

#### **Others Present**

Lauri Ayalian  
Charlie McClendon  
Councilmember Kathleen Kelly  
Jay Virata  
Don Dame  
Jeff Fuller  
Kim Floyd

City of Palm Desert  
City of Cathedral City  
City of Palm Desert  
City of Palm Springs  
Consultant  
The Energy Authority/TEA  
Sierra Club

#### **Ex-Officio / Non-Voting Member Absent**

Councilmember Yvonne Parks

City of Desert Hot Springs

#### **CVAG Staff**

Tom Kirk  
Katie Barrows  
Benjamin Druyon  
Linda Rogers

### **3. PUBLIC COMMENTS**

Kim Floyd commented that he was interested in working with staff in cities that are engaged in learning more about the CCA, and that he hoped to see community outreach before the roll out happens.

**4. BOARD MEMBER / DIRECTOR COMMENTS**

**5. CONSENT CALENDAR**

**IT WAS MOVED BY MAYOR JONATHAN, SECONDED BY COUNCILMEMBER KAPLAN, TO:**

**A. Approve minutes of February 26, 2018 Desert Community Energy Board meeting**

**THE MOTION PASSED WITH 2 AYES AND 1 ABSTENTION.**

Councilmember Shelly Kaplan	AYE
Mayor Sabby Jonathan	AYE
Councilmember Lisa Middleton	ABSTAIN

**6. DISCUSSION / ACTION**

**A. Update on Our Progress**

Tom Kirk provided a brief update regarding the progress and upcoming activities of DCE related to the Implementation Plan, PCIA/Exit Fee, and community outreach as outlined in the staff report.

**B. Desert Community Energy Launch Schedule and Product Offerings**

Jeff Fuller with The Energy Authority (TEA) reported on the DCE Pro Forma projection costs for 2018 through 2020.

**IT WAS MOVED BY COUNCILMEMBER MIDDLETON, SECONDED BY MAYOR JONATHAN, TO:**

- 1) Approve launch of DCE in July/August 2018, pending completion of CPUC Waiver process; and**
- 2) Approve two DCE product offerings to include higher renewable content and more carbon-free electricity, from sources that produce fewer greenhouse gases, and, will not include nuclear power or any power from new large hydro facilities.**

**THE MOTION PASSED WITH 3 AYES.**

Councilmember Shelly Kaplan	AYE
Mayor Sabby Jonathan	AYE
Councilmember Lisa Middleton	AYE

**C. Authorization to submit SCE Service Agreement and CPUC Bond**

**IT WAS MOVED BY MAYOR JONATHAN, SECONDED BY COUNCILMEMBER MIDDLETON, TO AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE A SERVICE AGREEMENT WITH SOUTHERN CALIFORNIA EDISON COMPANY AND PROVIDE FOR POSTING OF \$100,000 PERFORMANCE BOND TO THE CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC) AS REQUIRED FOR DESERT COMMUNITY ENERGY TO COMMENCE SERVICE.**

**THE MOTION PASSED WITH 3 AYES.**

Councilmember Shelly Kaplan	AYE
Mayor Sabby Jonathan	AYE
Councilmember Lisa Middleton	AYE

**D. Amendments to the Energy Authority Task Order 2**

**IT WAS MOVED BY COUNCILMEMBER MIDDLETON, SECONDED BY MAYOR JONATHAN, APPROVE AND AUTHORIZE THE CHAIR TO SIGN TWO AMENDMENTS TO TASK ORDER 2 BETWEEN THE ENERGY AUTHORITY AND DESERT COMMUNITY ENERGY; AMENDMENT NO. 1 PROVIDES FOR TEA TO PROVIDE A \$500,000 SECURITY DEPOSIT TO THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO) AND AMENDMENT NO. 2 PROVIDES FOR DCE TO TRANSACT RESOURCE ADEQUACY DIRECTLY WITH SOUTHERN CALIFORNIA EDISON, USING TEA AS AGENT.**

**THE MOTION PASSED WITH 3 AYES.**

Councilmember Shelly Kaplan	AYE
Mayor Sabby Jonathan	AYE
Councilmember Lisa Middleton	AYE

**E. Authorization to negotiate DCE Credit and Banking Services Agreement**

Executive Director Kirk added that a selection committee consisting of Gary Leong, Bill Powers, the City of Palm Desert's Finance Director along with representatives from TEA and CalPine will be asked to review proposals to recommend a vendor.

**IT WAS MOVED BY COUNCILMEMBER MIDDLETON, SECONDED BY MAYOR JONATHAN, TO AUTHORIZE THE EXECUTIVE OFFICER, IN CONSULTATION WITH DCE LEGAL COUNSEL, TO NEGOTIATE AN AGREEMENT WITH THE CREDIT AND BANKING SERVICES VENDOR RECOMMENDED BY THE SELECTION COMMITTEE AND AUTHORIZE THE DCE BOARD CHAIR TO APPROVE AND EXECUTE THE AGREEMENT TO MEET THE TIMELINE FOR JULY/AUGUST 2018 LAUNCH.**

**THE MOTION PASSED WITH 3 AYES.**

Councilmember Shelly Kaplan	AYE
Mayor Sabby Jonathan	AYE
Councilmember Lisa Middleton	AYE

**F. Conflict of Interest Code**

**IT WAS MOVED BY MAYOR JONATHAN, SECONDED BY COUNCILMEMBER MIDDLETON, TO ADOPT DCE POLICY NUMBER 18-01 APPROVING A CONFLICT OF INTEREST CODE FOR DESERT COMMUNITY ENERGY.**

**THE MOTION PASSED WITH 3 AYES.**

Councilmember Shelly Kaplan	AYE
Mayor Sabby Jonathan	AYE
Councilmember Lisa Middleton	AYE

**G. Executive Officer/Executive Director Spending Authority and Authority to Sign**

IT WAS MOVED BY COUNCILMEMBER MIDDLETON, SECONDED BY MAYOR JONATHAN, TO ADOPT POLICY 18-02 AUTHORIZING DCE'S EXECUTIVE OFFICER/EXECUTIVE DIRECTOR TO EXECUTE AGREEMENTS UP TO \$100,000 WITHOUT PRIOR BOARD APPROVAL WHEN CERTAIN CONDITIONS ARE MET, CONSISTENT WITH SECTION 3.13 OF THE JOINT POWERS AGREEMENT, AND TO SIGN STANDARD DOCUMENTS NECESSARY TO IMPLEMENT ROUTINE CCA FUNCTIONS.

**THE MOTION PASSED WITH 3 AYES.**

Councilmember Shelly Kaplan	AYE
Mayor Sabby Jonathan	AYE
Councilmember Lisa Middleton	AYE

**H. Delegation of Authority for Legislative and Regulatory Actions**

IT WAS MOVED BY MAYOR JONATHAN, SECONDED BY COUNCILMEMBER MIDDLETON, TO MODIFY AND ADOPT DCE POLICY NUMBER 18-03 DELEGATING AUTHORITY TO DCE'S EXECUTIVE OFFICER/EXECUTIVE DIRECTOR TO TAKE ACTION ON TIME-SENSITIVE REGULATORY AND LEGISLATIVE MATTERS IMPACTING DCE, AND THAT CONDITION NO. 6 BE ADDED TO THE POLICY STATING THAT ADVANCE NOTICE BE PROVIDED TO THE BOARD WHENEVER PRACTICABLE AND ALLOW FOR A SPECIAL MEETING TO BE CALLED IF NECESSARY.

**THE MOTION PASSED WITH 3 AYES.**

Councilmember Shelly Kaplan	AYE
Mayor Sabby Jonathan	AYE
Councilmember Lisa Middleton	AYE

**7. INFORMATION**

1) Attendance Roster

**8. ANNOUNCEMENTS**

Upcoming Meetings at 73-710 Fred Waring Drive, Suite 200, Palm Desert

The next Board Meeting of Desert Community Energy will be on April 16, 2018 at 2:30 p.m.

**9. ADJOURNMENT**

The meeting adjourned at 3:52 pm.

Respectfully submitted,

Linda Rogers  
Program Assistant II

## **ITEM 5B**



# **DESERT COMMUNITY ENERGY**

## **Board Meeting**

**April 16, 2018**

### **Staff Report**

**Subject:** Adoption of DCE Administrative and Operational Policies

**Contact:** Benjamin Druyon, Management Analyst ([bdruyon@cvag.org](mailto:bdruyon@cvag.org))

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**RECOMMENDATION:** Adopt the following DCE Administrative and Operational Policies: 1) Customer Confidentiality (18-04), 2) Records Retention (18-05), 3) Prohibition Against Dissemination of Untrue Information (18-06), 4) Information Technology Security (18-07), and 5) Social Media Protocols (18-08).

**BACKGROUND:** As DCE approaches launch, the adoption of administrative and operational policies will help ensure smooth operations consistent with California State law, CCA regulatory requirements and operational best practices. Staff is proposing five policies for Board approval at its April Board meeting. Please see attached for full text of each policy.

- 1) Customer Confidentiality Policy (18-04):** This policy establishes DCE's customer privacy and confidentiality standards in accordance with CPUC Decision 12-08-045 which defines DCE's use of customer account information. This policy will be posted to DCE's website and customers will be provided with the webpage URL in DCE's customer enrollment notices.
- 2) Records Retention Policy (18-05):** This policy establishes minimum records retention periods for DCE documents, consistent with California law.
- 3) Prohibition Against Dissemination of Untrue Information (18-06):** This policy prohibits any official representative of DCE from knowingly disseminating untrue information pursuant to the California Public Utilities Code Section 396.5 and as per the standards set forth by CA Senate Bill 790 (2011).
- 4) Information Technology Security (18-07):** This policy governs DCE's use of information technology and establishes controls to ensure that it remains complete, accurate, confidential, and available only for authorized business activities.
- 5) Social Media Protocols (18-08):** This policy governs DCE social media protocols and establishes DCE's right to manage information shared through DCE-sponsored social media channels.





## DCE POLICY # 18-04 Customer Confidentiality

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**Subject:** DCE Customer Confidentiality Policy -- Notice of Accessing, Collecting, Storing, Using, and Disclosing Energy Usage Information

**Policy:** Desert Community Energy (DCE), its employees, agents, contractors, and affiliates shall maintain the confidentiality of individual customers' names, service addresses, billing addresses, telephone numbers, email addresses, account numbers, and electricity consumption, except where reasonably necessary to conduct DCE's business or to provide services to customers pursuant to the "Rules Regarding Privacy and Security Protections for Energy Usage Data" issued by the California Public Utilities Commission (CPUC). Examples of reasonably necessary business purposes include but are not limited to when such disclosure is necessary (a) to comply with law, regulation, or court order; (b) to enable DCE to provide service to its customers; (c) to collect unpaid bills; (d) to obtain and provide credit reporting information; (e) to resolve customer disputes or inquiries; (f) to communicate about demand response, energy efficiency, energy management, and conservation programs; or (g) in a situation of imminent threat to life or property. DCE shall not, under any circumstance, disclose customer information for third-party telemarketing, e-mail, or direct mail solicitation. Aggregated data that cannot be traced to specific customers may be released at DCE's discretion.

Customer data, including individual customer names, addresses, and electric energy usage data, is collected via Southern CA Edison's metering systems. DCE may share customer data with contractors and vendors for purposes of providing services and operating programs. Contractors and vendors are required to agree to only use customer data for program operational purposes and protect it under the same standards as DCE. DCE maintains customer-specific energy usage and billing information for only as long as is reasonably necessary, typically not more than five years unless otherwise required by law or regulation.

The effective date of this policy is April 16, 2018. Notice of this policy will be provided annually to customers via an on-bill message guiding customers to the most updated version on DCE's website at [www.desertcommunityenergy.org](http://www.desertcommunityenergy.org). Any changes to this policy between notification periods will be communicated on DCE's website. Previous versions of this policy can be requested via email at [info@desertcommunityenergy.org](mailto:info@desertcommunityenergy.org) or by mailed request to the address below.

Customers having questions or concerns regarding the collection, storage, use, or distribution of customer information, or who wish to view, inquire about, or dispute any customer information held by DCE or limit the collection, use, or disclosure of such information, may contact DCE's Clerk of the Board and Executive Assistant, Joanna Stueckle or by US mail at 73710 Fred Waring Drive #200, Palm Desert, CA 92260.



## DCE POLICY # 18-05

### Records Retention

**Subject:** Desert Community Energy's legal and compliance recordkeeping requirements.

**Purpose:** Implement a records retention schedule in order to ensure that DCE's records are kept as long as legally and operationally required and that obsolete records are disposed of in a systematic and controlled manner. The records retention schedule is intended to ensure that employees adhere to approved recordkeeping requirements, and that they do so consistently.

**Policy:** Records will be retained according to the following schedule. After the required retention date has passed, all documents or electronic files will be deleted or discarded.

Record Type	Required Retention	Sample Descriptions
Executed Contracts	5 years after completion of contract	Power supply contracts, contracts with vendors or consultants
Invoices from Vendors	2 years after completion of contract	Vendor invoices for payment
Non-Disclosure Agreements	In perpetuity	NDA with vendor, employee, Board member or advisor
Board Approved Decisions	In perpetuity	Resolutions, meeting minutes, and other items approved at regular or special Board meetings
Board and Committee Meeting Materials	In perpetuity	Agendas, staff reports, and other material provided to Board members in preparation for meetings
Board Approved Budgets	In perpetuity	Final, approved budgets
Drafts of Documents	30 days after final version is approved	Draft contracts, programs, RFPs, etc.
General Electronic Correspondence	2 years	Relevant email correspondence at staff discretion
Customer-Specific Usage Information and Data	5 years	Electronic information and reporting from Data Manager, bill analyses
Marketing Material	2 years after public distribution	Flyers, brochures, electronic advertisements
General Educational or Informational Material	2 years	Brochures, reports, electronic information
Personnel Information	3 years after termination	Offer letter, resume, evaluations, personnel records, payroll records, and 1-9 forms
Accounting Records	7 years	Unaudited financials, bank statements, payables/receivables and controls back up documentation, etc.
Recruitment Materials	3 years after completion	Ads, responses



## **DCE POLICY #18-06 Prohibition Against Dissemination of Untrue or Misleading Information**

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**Subject:** Prohibition Against Dissemination of Untrue or Misleading Information

**Policy:** Pursuant to the California Public Utilities Code Section 396.5 and as per the standards set forth by CA Senate Bill 790 (2011), Desert Community Energy Authority prohibits the dissemination of any statement related to DCE's CCA program that is known to be untrue or misleading, or that by exercise of reasonable care should be known to be untrue or misleading.

Dissemination by Desert Community Energy (i.e. Board and Committee Members, and/or DCE Staff, and/or DCE representatives acting under DCE authorization) of any statement relating to DCE's rates or terms and conditions of service that is untrue or misleading, and that is known, or that by the exercise of reasonable care, should be known, to be untrue or misleading is strictly prohibited. Individuals who violate this Policy may be subject to corrective action.



## DCE POLICY # 18-07 Information Technology Security

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**Subject:** Policy governing information technology and data controls

**Background:** Information technology (“IT” or “Information”) is a critical Desert Community Energy (DCE) asset that will be managed to ensure that it remains complete, accurate, confidential, and available only for authorized business activities. Proper management of data and information is required to support regulatory compliance, minimize legal liability, reduce the risk of criminal activity, and sustain stakeholder and customer satisfaction.

**Risk Exposure and Controls:** DCE is dependent on information technology to conduct its business operations. All DCE staff are responsible for reporting to management any non-compliance of this policy. DCE will make information technology accessible only to authorized employees or authorized/designated vendors as needed, and such information shall only be used for authorized agency purposes. To ensure protection of information technology and adherence to protocols, operational guidelines will be put in place for employees and designated vendors which will adhere to the principles below:

- Access to specific information technology is to be assigned to designated DCE employees or vendors with the minimum level of access necessary to perform respective responsibilities.
- Access to information technology will be made available only to the extent necessary to support authorized business functions.
- Security systems will be structured with multiple layers of security, including physical, network, host, and personnel security measures.
- The degree of information security protection is to be commensurate with the impact of inadvertent or intentional misuse, improper disclosure, damage or loss.
- Adequate controls will divide sensitive duties among more than one individual to provide checks and balances that help insure operational guidelines are followed.
- Security is not an optional component of operations. All DCE staff and designated vendors are required to protect sensitive data and customer information. All staff and designated vendors that use or have access to DCE information technology are personally responsible for exercising the proper control over information assets according to the operational guidelines provided to them.
- Operational guidelines for treatment of information technology are subject to change as needed to protect DCE and its customers based on any changes in systems, threats, and practices.



## DCE POLICY # 18-08 Social Media Protocols

**Subject:** Policy governing DCE social media protocols

**Policy:** Desert Community Energy (DCE) provides opportunities through various digital outlets and social media channels to facilitate communication among individuals, businesses and customers (“visitors”) regarding matters of organizational and public interest.

DCE sponsored sites that allow public comment shall inform visitors of the intended purpose of the site and provide a clear statement that inappropriate posts are subject to removal, including but not limited to the following types of postings regardless of format (text, video, links, documents, etc.).

DCE reserves the right to delete submissions that contain:

- profane or vulgar language;
- personal attacks of any kind;
- harassment of any individual or entity;
- content that promotes, fosters or perpetuates discrimination on the basis of race, creed, color, age, religion, gender, marital status, status with regards to public assistance, national origin, physical or mental disability or sexual orientation; or
- hateful, threatening, libelous, or pornographic language or images.

DCE also reserves the right to delete comments that:

- are spam or include links to other sites;
- are clearly off topic;
- are illegal or fraudulent
- promote particular services, products, or political organizations;
- infringe on copyrights or trademarks;
- contain factually inaccurate information about DCE, its programs, staff or Board
- inaccurately imply endorsement, approval, or sponsorship by DCE;
- can be confused with official communications of DCE;

- violate other users' privacy, such as releasing personal information about others, including name, address, or phone number; and/or
- further commercial or other personal financial gain.

DCE reserves the right to deny access to its communication channels. DCE will deny access to those who violate the above standards or other applicable policies in these ways or similar practices. Participants on DCE's various social media channels who misuse information and communication services may be removed from all online communities permanently. DCE reserves the right to move or delete any postings.

## ITEM 5C



# DESERT COMMUNITY ENERGY

Board Meeting

April 16, 2018

## Staff Report

**Subject:** Authorization to join CalCCA as an Operational Member

**Contact:** Benjamin Druyon, Management Analyst ([bdruyon@cvag.org](mailto:bdruyon@cvag.org))

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**Recommendation:** Authorize:

- 1) Staff to submit application to CalCCA as an Operational Member, and
- 2) Executive Officer to negotiate membership fees and remit payment for annual dues once DCE begins receiving revenue.

**Background:** CalCCA is an advocacy group for Community Choice Aggregation programs throughout California. CalCCA represents the interests of California's community choice electricity providers in the legislature and at the state regulatory agencies, including the California Public Utilities Commission, California Energy Commission and California Air Resources Board. CalCCA's voting membership is comprised of operating CCA programs in California that are serving load or about to launch (Implementation Plan has been submitted and CEO appointed). Local governments interested in community choice may join as affiliate members. CVAG is currently an affiliate member of CalCCA.

CalCCA Partners are given a broad range of benefits, including invitations to exclusive meetings and events, access to summary information about key CCA priorities and initiatives, access to booth and information distribution at CalCCA annual meetings, and event sponsorship opportunities. There are also numerous informational committees that DCE staff can be involved in, all dealing with current CCA topics and issues.

Operational Members have a voting seat on the CalCCA Board of Directors. As an Operational Member staff could become involved in the CCA committees which cover topics including regulatory, legislative, marketing/communication, and procurement. For streamlining and strategic purposes, many of these committees are not open to consultants or vendors. The Regulatory Committee coordinates activities and allocates resources on numerous proceedings at several California regulatory agencies. The heaviest case load is the Power Charge Indifference Adjustment (PCIA) proceeding at the California Public Utilities Commission. CalCCA has established a PCIA Team consisting of legal, technical and analytical resources from all operational CCAs.

Staff believes these benefits will be extremely helpful to the success of our CCA operations and recommends joining CalCCA as an Operational Member. Staff will work with CalCCA to negotiate our fees.

**Fiscal Analysis:** Operational Membership dues include a fixed fee of \$10,000 and a variable rate of .05% of the operating revenue of the member, capped at \$100,000/annually; and to include a Litigation Fund fixed fee of \$25,000 and variable rate of .07% of operating revenue of the member, capped at \$150,000 annually for FY2017-18 and \$200,000 for FY2018-19. For DCE it is estimated this fee would be \$83,000 for FY2018-19 and \$143,000 for FY2019-20. CalCCA has offered to forego collecting fees until DCE begins receiving revenue.

## ITEM 6A



# DESERT COMMUNITY ENERGY

Board Meeting

April 16, 2018

## Staff Report

**Subject:** Update on Our Progress

**Contact:** Tom Kirk, Executive Director ([tkirk@cvaq.org](mailto:tkirk@cvaq.org))

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**Recommendation:** Information only.

**Background:** Here is a summary of our progress and upcoming activities.

**CPUC Resolution E-4907 and Waiver Process:** At the March 19 meeting, the DCE Board gave the Executive Officer direction to continue negotiations with SCE to procure Resource Adequacy (RA) under Option A of the CPUC Waiver process. Those negotiations have been concluded successfully with SCE which will allow DCE to launch in 2018 as planned. DCE will purchase the required Resource Adequacy from SCE for the period from August 1 through December 2018. The Executive Officer has signed an agreement/term sheet with SCE. The next step is for SCE to prepare a Tier 1 Advice Letter together with DCE for submittal to the CPUC. SCE anticipates providing a letter for DCE review and approval by the end of the month. The Advice letter must be jointly filed by SCE and DCE by May 17, 2018, 75-days prior to our August 1 launch.

As discussed at the March meeting, TEA has evaluated the financial impacts of launching in August 2018 versus a launch in 2019. This analysis determined that a launch in July/August 2018 would still provide DCE with net benefits, positive cash flow, and revenue to begin building reserves. If DCE were to wait to launch in January 2019, we would lose five to six months of revenue that could never be recouped.

**PCIA/Exit Fee – CPUC Proceeding R. 17-06-026:** The CPUC continues with the proceeding on the Power Cost Indifference Adjustment (PCIA), the “exit fee” charged to customers leaving the incumbent utility to join a CCA. The intent of the proceeding is to revise the methodology for calculating the PCIA. DCE is a party to the proceeding. CalCCA has filed comments on the PCIA which includes a recommended approach for determination of the exit fee. The PCIA proceeding continues.

**Other Steps to CCA Implementation.** We continue to move toward our goal of launching the program in summer 2018. Coordination with SCE has been ongoing since 2016. SCE has updated their schedule for DCE to launch in August 2018. A conference call with SCE and our consultant team occurs weekly to coordinate key launch activities and keep us on schedule for our launch date. Other recent actions include:

- ✓ **March 9, 2018** - DCE received certification of its Implementation Plan from the CPUC.
- ✓ **March 19, 2018** – DCE Board approves launch on August 1, 2018
- ✓ **March 29, 2018** – CPUC received DCE’s registration package, including Service Agreement with SCE and a \$100,000 bond provided by Calpine Energy Solutions



Budget and Staffing. A draft budget has been prepared with assistance from energy consultant Don Dame and the TEA and LEAN teams. Staff anticipates bringing the draft budget to the Board in May. Included in the budget will be costs for administrative support of DCE through CVAG. The CVAG personnel committee approved two new positions that will support DCE. These positions include an accounting manager and a program director/manager. CVAG anticipates recruiting for these positions this month, with the expectation that the positions can be filled prior to DCE launch. They will be need to be included in the 2018/2019 CVAG budget which will be considered in June.

Community Advisory Committee. At a prior meeting, the Board suggested that staff look into the potential for formation of a Community Advisory Committee. A number of existing CCA programs statewide have established Community Advisory Committees to provide input and guidance, assist with community outreach, and involve stakeholders in CCA implementation. At the direction of the Board, staff will prepare a recommendation for an advisory committee and bring that back at a future meeting.

CVAG staff appreciates the commitment of time and valuable input by elected officials and jurisdiction staff throughout this process

**Fiscal Analysis:** No impact.

## **ITEM 6B**



# **DESERT COMMUNITY ENERGY**

**Board Meeting**

**April 16, 2018**

## **Staff Report**

**Subject:** Approve Desert Community Energy Rate Schedule and Net Energy Metering program

**Contact:** Katie Barrows, Director of Environmental Resources ([kbarrows@cvaq.org](mailto:kbarrows@cvaq.org))

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**Recommendation:** Approve:

1. Adoption of Resolution 2018-01 to approve Desert Community Energy rate schedule effective August 1, 2018; and
2. Approve Net Energy Metering (NEM) program for existing and future solar customers

**Background:** It is now time for DCE to adopt a rate schedule for the generation portion of customer electricity bills. During recent discussions of the choices DCE customers would be offered, the Board requested that DCE emphasize cost savings and provide the lowest possible price below Southern California Edison (SCE) for the basic product. The Board also requested that the basic product include as much renewable and carbon-free power as possible at this discounted rate. The Board also discussed the options for the premium product emphasizing the greenest choice with high renewable or carbon-free content.

**DCE Rate Schedule:**

At the March 19 board meeting, the Board approved offering two products to our customers.. The basic, default product will provide a 3% discount from Southern California Edison's (SCE) generation rate, with electricity that is 35% from renewable sources and 50% carbon-free. All customers will automatically be enrolled in the basic product. The premium product would offer customers the choice to opt up to greener electricity. After some discussion of the differences between renewable and carbon-free electricity sources, the Board requested that this premium product emphasize carbon-free electricity, a 100% carbon-free choice. Carbon-free power offers the benefit of reducing greenhouse gas emissions, allowing member agencies to make progress on sustainability and climate actions plans. The Board also requested that the premium product be offered at a cost equal to the generation rates offered by SCE for its default product. In addition, the Board made a policy decision to not procure electricity from nuclear power sources or any electricity resulting from new construction of large hydropower (e.g. dams) generation.

It has been determined that the 100% carbon-free premium product can be offered at rates equal to SCE's default rate. Attachment 2 presents the proposed generation rates for DCE for each applicable rate schedule. These rates will take effect August 1, 2018. A decision on the product names is included in item 6D on today's agenda. Once determined the product names will be included in the rate schedule. For the initial launch of DCE, we propose following the existing SCE rate structure. This is consistent with the approach taken by most Community Choice Aggregation agencies, which for the initial establishment of the CCA, follow the rates used by the incumbent utility to lessen customer confusion. The rate schedule used to set DCE rates was provided by SCE reflecting their current rate categories. The rates include the basic product rate which is

calculated at a 3% discount off each of the SCE rates. This discount is approximately \$0.0026/kWh for residential customers. The premium product rate is the same as SCE's default rate. Rate design by SCE uses a more conventional utility approach which calculates the cost of service to all customers, and to allocate that cost to the various customer classes using appropriate cost-causation methodologies. Then rates are set that will recover that cost from each customer class.

For purposes of the rate design, each SCE generation rate or generation rate component was reduced by 3%, and the SCE customer surcharges (PCIA, franchise fee) were subtracted, yielding the DCE generation rate. This is to allow for the uncertainty in SCE's rates and to ensure DCE customers do not pay more than the equivalent SCE rate. This rate design approach has the advantages of easy comparability and ease of customer communications in that the generation cost discount is the same, on a percentage basis, for all potential customers. Such comparability will ease the transition for customers to DCE service, ensure similar rate benefits are obtained by all participating customers, and ensure compatibility of DCE rates with the SCE delivery rates that will continue to apply to DCE customers.

To illustrate the rate design approach, Table 1 provides a sample of the rates for a typical residential customer, assuming electricity usage of 807 kWh in summer and 532 kWh in winter. The exit fee (PCIA) is applied on a per kWh basis and is shown in this example.

Table 1. Typical Residential Bill with proposed DCE rates for default and premium products.

Typical Residential Bill

<i>Summer (August)</i>	Usage kWh	SCE		DCE Default		DCE Premium	
		\$/kWh	Total \$	\$/kWh	Total \$	\$/kWh	Total \$
Transmission and Distribution	807	\$ 0.089	\$ 71.62	\$ 0.089	\$ 71.62	\$ 0.089	\$ 71.62
Generation		\$ 0.085	\$ 68.68	\$ 0.063	\$ 50.87	\$ 0.066	\$ 52.94
Exit Fees				\$ 0.020	\$ 15.75	\$ 0.020	\$ 15.75
<b>Total</b>		<b>\$ 0.174</b>	<b>\$ 140.30</b>	<b>\$ 0.171</b>	<b>\$ 138.25</b>	<b>\$ 0.174</b>	<b>\$ 140.31</b>
<i>Winter (January)</i>		SCE		DCE Default		DCE Premium	
		\$/kWh	Total \$	\$/kWh	Total \$	\$/kWh	Total \$
Transmission and Distribution	532	\$ 0.126	\$ 67.10	\$ 0.126	\$ 67.10	\$ 0.126	\$ 67.10
Generation		\$ 0.085	\$ 45.27	\$ 0.063	\$ 33.54	\$ 0.066	\$ 34.90
Exit Fees				\$ 0.020	\$ 10.38	\$ 0.020	\$ 10.38
<b>Total</b>		<b>\$ 0.211</b>	<b>\$ 112.38</b>	<b>\$ 0.209</b>	<b>\$ 111.02</b>	<b>\$ 0.211</b>	<b>\$ 112.39</b>

A sample bill for a typical commercial customer is shown in Table 2. Electricity usage in kWh is determined based on customer data provided by SCE. This example is for a commercial customer using 15,315 kWh in the summer and 11,591 kWh in the winter.

Table 2. Typical Commercial Bill with proposed DCE rates for default and premium products.

Typical Commercial Bill

<i>Summer (August)</i>	Usage kWh	SCE		DCE Default		DCE Premium	
		\$/kWh	Total \$	\$/kWh	Total \$	\$/kWh	Total \$
Transmission and Distribution	15,315	\$ 0.022	\$ 337.08	\$ 0.022	\$ 337.08	\$ 0.022	\$ 337.08
Generation		\$ 0.127	\$ 1,950.21	\$ 0.107	\$ 1,634.26	\$ 0.111	\$ 1,692.77
Exit Fees				\$ 0.016	\$ 249.33	\$ 0.017	\$ 257.44
<b>Total</b>		<b>\$ 0.149</b>	<b>\$ 2,287.30</b>	<b>\$ 0.145</b>	<b>\$ 2,220.68</b>	<b>\$ 0.149</b>	<b>\$ 2,287.29</b>
<i>Winter (January)</i>		SCE		DCE Default		DCE Premium	
		\$/kWh	Total \$	\$/kWh	Total \$	\$/kWh	Total \$
Transmission and Distribution	11,591	\$ 0.022	\$ 255.12	\$ 0.022	\$ 255.12	\$ 0.022	\$ 255.12
Generation		\$ 0.049	\$ 573.64	\$ 0.032	\$ 369.81	\$ 0.033	\$ 387.02
Exit Fees				\$ 0.016	\$ 188.70	\$ 0.016	\$ 186.62
<b>Total</b>		<b>\$ 0.072</b>	<b>\$ 828.76</b>	<b>\$ 0.070</b>	<b>\$ 813.63</b>	<b>\$ 0.072</b>	<b>\$ 828.76</b>

DCE's data manager, Calpine Energy Solutions, will be responsible for ensuring that each customer is billed in accordance with their assigned rate schedule. It should be noted that the savings on total electric charges will vary among customers because of the wide variation in transmission and distribution charges, including the variations caused by residential tiered delivery rates. In future rate-setting cycles, it may be desirable to evaluate alternative rate designs that may include: 1) simplification in terms of the number of different rate schedules offered and the variety of charges contained within each rate schedule; 2) adjustments to demand charges with offsetting changes to energy charges; 3) adjustments to specific charges to ensure alignment with DCE's cost structure.

As indicated on the rate schedule, SCE has been transitioning customers to time-of-use (TOU) rates. TOU rates are intended to encourage customers to shift electricity use away from those times with the greatest demand on the electrical grid (on-peak). The cost of electricity depends on the time of day it is used. The net result is to reduce the need for new power plants by easing the strain on the grid. SCE will be transitioning customers to TOU electricity rates in phases between 2018 and 2020.

Southern California Edison currently has a rate increase request before the California Public Utilities Commission. In March, the CPUC held public forums on Phase 2 of SCE's 2018 General Rate Case. Through the rate case process, SCE assigns revenue to its customers, and adjusts their rate schedule to cover those revenues. SCE is proposing an increase in the baseline allowance in order to reduce the impact on the higher-usage residential customers. If the changes requested by SCE are adopted, residential customers will see an increase in rates of approximately 4.1%. The CPUC is expected to make a decision on the rate case by the end of 2018. The revisions considered in the Phase 2 proceeding are estimated to change customer rates in the first quarter of 2019.

The intent is for the rates to be set annually by the Board, during a DCE Board meeting in an open and transparent process. Rate setting typically will be done after January to allow DCE to address changes to the exit fee (Power Charge Indifference Adjustment or PCIA), and SCE's generation rates, which are approved by the CPUC annually in January. SCE may also adjust its generation rates at other times during the year. Annual rate setting will allow evaluation of the rates and the opportunity to consider changes, as may be necessary if deviations in market prices or other extraordinary circumstances result in the need to adjust rates. DCE's Board also retains the ability to adjust rates at any time if circumstances warrant. Local rate setting is one of the advantages of Community Choice Energy as the public will have an opportunity to attend meetings and provide input or comment.

### ***DCE Net Energy Metering Program:***

One of the opportunities for DCE is to incentivize rooftop solar and benefit existing solar customers through a Net Energy Metering (NEM) program. Currently, customers who install solar on their homes or businesses participate in SCE's NEM program. NEM customers can receive credit for excess solar generation in an annual true-up process with SCE. With Net Energy Metering, solar customers receive credit for power they do not use which is supplied to the grid. Each month, the amount of energy consumed and contributed to the grid is tallied. Customers who use less than they generate receive a credit that can be applied against amounts that would otherwise be owed in a subsequent month. On an annual true-up date, the amount of energy production (in kilowatt hours = kWh) that exceeds consumption over the preceding 12-month period is eligible for a rebate. SCE's rebate is approximately 3 cents/kWh. This rate is updated monthly based on a rolling 12-month lookback of the wholesale value of electricity.

DCE has approximately 8,765 NEM solar customers, including 2,616 in Cathedral City, 2,947 in Palm Springs, and 3,202 in Palm Desert. When the Desert Community Energy program launches on August 1, these customers will be transferred to DCE. Prior to the launch date, they will receive

a notice about DCE's Net Energy Metering program. To promote solar energy, staff recommends that DCE offer a NEM program that exceeds the offering of SCE. Staff has worked with TEA to evaluate the benefits and economic impacts of an NEM incentive.

We propose that DCE include the following provisions in our NEM program:

- ✓ Compensate net surplus monthly generation at applicable retail rate
- ✓ Surplus \$ credits in one month may be applied to charges in subsequent month until annual true-up
- ✓ On an annual basis, net surplus annual generation (measured on a kWh basis) compensated at \$0.06 per kWh

This approach is similar to what is being offered by other Southern California CCAs. There are some options for the Board to discuss at the meeting.

1. Economic Option:
  - ✓ Compensate monthly at retail
  - ✓ Compensate net surplus generation at wholesale
2. Incentivize solar generation to meet load:
  - ✓ Compensate monthly at retail plus an adder (many CCAs have set adder equal to \$0.01)
  - ✓ Settle annually but subject to constraint:
    - Monetary cap
    - Surplus generation settled at price between retail and wholesale
3. Incentive solar generation to encourage more solar:
  - ✓ Compensate monthly at retail plus an adder
  - ✓ Settle annually at full credit value

We are awaiting confirmation from SCE to verify some of the net consumption and generation amounts for our customers. Pending the receipt of this information, it may be appropriate to consider a monetary cap on the amount offered to customers for excess generation. This information may be available on April 16. If appropriate, a cap could be incorporated in the NEM program at the May meeting.

Staff recommends that the Board support an NEM program that compensates solar customers at \$0.06 per kWh of excess generation based on the annual true-up analysis.

Jeff Fuller will provide a presentation on the rate schedule and NEM program at the April 16 meeting and answer any questions. He will also provide a preview of the procurement and energy risk management policy which will be considered by the Board in May.

**Fiscal Analysis:** The recommended rates are projected to yield sufficient revenues to cover anticipated DCE program power supply costs. The proposed rate schedule has been incorporated in the Pro Forma developed by TEA. The NEM incentive of \$0.06/kWh is also consistent with the financial Pro Forma.

**Contract Finalization:** Authorize the Executive Officer and/or CVAG legal counsel to make minor changes/revisions to the agreement as needed for clarification purposes.

**Attachments:**

1. Resolution 18-01 for Desert Community Choice
2. Rate Schedule Effective August 1, 2018

**RESOLUTION NO. 2018-01**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF DESERT COMMUNITY ENERGY  
APPROVING CUSTOMER GENERATION RATES**

THE BOARD OF DIRECTORS OF DESERT COMMUNITY ENERGY DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:

**WHEREAS**, the Desert Community Energy (DCE) was formed on October 30, 2017 pursuant to a Joint Powers Agreement to study, promote, develop, conduct, operate, and manage energy programs in Los Angeles County; and

**WHEREAS**, the Desert Community Energy (DCE) Implementation Plan was certified by the California Public Utilities Commission on March 9, 2018; and

**WHEREAS**, the Board of Directors directed staff to procure power supply for DCE's customer load using the maximum renewable and carbon free resource mix while keeping the DCE's customer generation rates below Southern California Edison's ("SCE") generation rates.

**WHEREAS**, it is necessary to establish power generation rates for customers of DCE; and

**WHEREAS**, the rates are set sufficient to cover the operating costs of DCE including to establishment and maintenance of sufficient financial reserves.

**NOW THEREFORE**, the Board of Directors ("Board") of Desert Community Energy does hereby resolve, determine, and order as follows:

Section 1. The proposed rate schedule as presented in Attachment 2 are hereby approved.

**PASSED, APPROVED, AND ADOPTED** this 16th day of April 2018 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Shelley Kaplan  
Chair  
Desert Community Energy

Attest:

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Tom Kirk  
Secretary  
Desert Community Energy

# Desert Community Energy Rate Schedule

Utility Tariff / Rate Schedule	CCA Rate Name	Season	Charge Type	Time of Use Period	New Default Rate (\$)	New Premium Rate
DOMESTIC (D)	DOMESTIC	All	Generation	Total	0.06376	0.06634
DOMESTIC CARE (D-CARE)	DOMESTIC CARE	All	Generation	Total	0.06376	0.06634
TOU-D-A	TOU-D-A	Summer	Generation	On-Peak	0.29809	0.30798
	TOU-D-A	Summer	Generation	Off-Peak	0.10319	0.10700
	TOU-D-A	Summer	Generation	Super OfPk	0.01884	0.02001
	TOU-D-A	Winter	Generation	On-Peak	0.18031	0.18653
	TOU-D-A	Winter	Generation	Off-Peak	0.09767	0.10131
	TOU-D-A	Winter	Generation	Super OfPk	0.02294	0.02425
	TOU-D-A	All	Generation	Baseline Credit	-0.08088	-0.08088
TOU-D-B	TOU-D-B	Summer	Generation	On-Peak	0.23801	0.24603
	TOU-D-B	Summer	Generation	Off-Peak	0.04311	0.04504
	TOU-D-B	Summer	Generation	Super OfPk	0.01884	0.02001
	TOU-D-B	Winter	Generation	On-Peak	0.12023	0.12457
	TOU-D-B	Winter	Generation	Off-Peak	0.03760	0.03936
	TOU-D-B	Winter	Generation	Super OfPk	0.02294	0.02425
TOU-D-T	TOU-D-T	Summer	Generation	TIER 1 PEAK	0.22678	0.23445
	TOU-D-T	Summer	Generation	TIER 1 OFF-PEAK	0.04469	0.04667
	TOU-D-T	Summer	Generation	TIER 2 PEAK	0.22678	0.23445
	TOU-D-T	Summer	Generation	TIER 2 OFF-PEAK	0.04469	0.04667
	TOU-D-T	Winter	Generation	TIER 1 PEAK	0.11147	0.11554
	TOU-D-T	Winter	Generation	TIER 1 OFF-PEAK	0.03777	0.03953
	TOU-D-T	Winter	Generation	TIER 2 PEAK	0.11147	0.11554
	TOU-D-T	Winter	Generation	TIER 2 OFF-PEAK	0.03777	0.03953

Utility Tariff / Rate Schedule	CCA Rate Name	Season	Charge Type	Time of Use Period	New Default Rate (\$)	New Premium Rate
TOU-EV-1	TOU-EV-1	Summer	Generation	On-Peak	0.17824	0.18440
	TOU-EV-1	Summer	Generation	Off-Peak	0.02472	0.02608
	TOU-EV-1	Winter	Generation	On-Peak	0.04907	0.05119
	TOU-EV-1	Winter	Generation	Off-Peak	0.02545	0.02683
TOU-EV-3-A	TOU-EV-3-SEC-A	Summer	Generation	On-Peak	0.25411	0.26242
	TOU-EV-3-SEC-A	Summer	Generation	Mid-Peak	0.06329	0.06564
	TOU-EV-3-SEC-A	Summer	Generation	Off-Peak	0.02010	0.02111
	TOU-EV-3-SEC-A	Winter	Generation	On-Peak	0.05790	0.06009
	TOU-EV-3-SEC-A	Winter	Generation	Mid-Peak	0.04726	0.04911
	TOU-EV-3-SEC-A	Winter	Generation	Off-Peak	0.02457	0.02571
TOU-EV-4	TOU-EV-4-SEC	Summer	Generation	On-Peak	0.23445	0.24226
	TOU-EV-4-SEC	Summer	Generation	Mid-Peak	0.05543	0.05765
	TOU-EV-4-SEC	Summer	Generation	Off-Peak	0.01649	0.01750
	TOU-EV-4-SEC	Winter	Generation	On-Peak	0.05171	0.05381
	TOU-EV-4-SEC	Winter	Generation	Mid-Peak	0.03750	0.03916
	TOU-EV-4-SEC	Winter	Generation	Off-Peak	0.02095	0.02209
TOU-8-SEC-A	TOU-8-SEC-A	Summer	Generation	On-Peak	0.29430	0.30384
	TOU-8-SEC-A	Summer	Generation	Mid-Peak	0.07479	0.07747
	TOU-8-SEC-A	Summer	Generation	Off-Peak	0.02438	0.02549
	TOU-8-SEC-A	Winter	Generation	Mid-Peak	0.04027	0.04188
	TOU-8-SEC-A	Winter	Generation	Off-Peak	0.02975	0.03103
TOU-8-SEC-R	TOU-8-SEC-R	Summer	Generation	On-Peak	0.29430	0.30384
	TOU-8-SEC-R	Summer	Generation	Mid-Peak	0.07479	0.07747
	TOU-8-SEC-R	Summer	Generation	Off-Peak	0.02438	0.02549
	TOU-8-SEC-R	Winter	Generation	Mid-Peak	0.04027	0.04188
	TOU-8-SEC-R	Winter	Generation	Off-Peak	0.02975	0.03103















Utility Tariff / Rate Schedule	CCA Rate Name	Season	Charge Type	Time of Use Period	New Default Rate (\$)	New Premium Rate
LS-3-B	LS-3-B	Summer	Generation	On-Peak	0.09482	0.09816
	LS-3-B	Summer	Generation	Off-Peak	0.04382	0.04519
	LS-3-B	Winter	Generation	On-Peak	0.05883	0.06104
	LS-3-B	Winter	Generation	Off-Peak	0.04382	0.04519
TC-1	TC-1	All	Generation	Total	0.05455	0.05652
AL-2	AL-2	Summer	Generation	On-Peak	0.09482	0.09816
	AL-2	Summer	Generation	Off-Peak	0.04382	0.04519
	AL-2	Winter	Generation	On-Peak	0.05883	0.06104
	AL-2	Winter	Generation	Off-Peak	0.04382	0.04519

## ITEM 6D



# DESERT COMMUNITY ENERGY

Board Meeting

April 16, 2018

## Staff Report

**Subject:** Desert Community Energy Product Names

**Contact:** Benjamin Druyon, Management Analyst, CVAG ([bdruyon@cvag.org](mailto:bdruyon@cvag.org))

**Recommendation:** Select a product name for two DCE offerings, the basic or default product and the premium, 100% carbon-free product.

**Background:** Staff continues to move forward with all implementation tasks and DCE is still on schedule to launch on August 1, 2018. At the March 19 DCE Board Meeting, staff introduced two product names to be offered to DCE customers, the Basic product which customers will be automatically enrolled in, and the Premium product (100% carbon-free), where customers have the choice to opt up.

The Board asked staff to bring back other name options for the two product offerings. Staff and the marketing team put together a list of other possible product names and staff conducted an informal survey with several participants, asking them to score their two favorite names from each category. Below are the top four names of each category, presented to you for selection. Staff requests that the Board select one product name from each category.

Basic (default)	Premium (opt-up)
Smart Saver	Clean 100
Eco Smart	Carbon-free
Desert Saver	Clean Spark
Basic	Premium

**Fiscal Analysis:** None.



## **ITEM 6E**



# DESERT COMMUNITY ENERGY

## Board Meeting

April 16, 2018

### Staff Report

**Subject:** Community Engagement and Outreach

**Contact:** Erica Felci, Governmental Projects Manager ([efelci@cvag.org](mailto:efelci@cvag.org))

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**Recommendation:** Authorize the Executive Officer to execute any agreements necessary and approve expenditures related to printing and distribution of enrollment notices and the community engagement efforts outlined in approved contracts, for an amount not to exceed \$160,000.

**Background:** At the December 4, 2017 meeting, the Desert Community Energy board selected a logo and requested an update on the plan for community outreach and engagement. These outreach efforts were temporarily paused after the California Public Utilities Commission (CPUC) staff released a draft proposed resolution that created uncertainty about the DCE implementation date. With the launch now scheduled for August, staff is working with the consultants to implement a robust community outreach plan.

The goal of the outreach is to establish DCE in the Coachella Valley so it is recognized as a trusted electric provider that uses local, greener resources and provides customers with rate savings. DCE is finalizing design on bilingual brochures and producing an informational video that can be used in presentations and online. DCE has reached out to each city about workshops. Starting in late April, DCE staff will be meeting with chambers of commerce, community stakeholder groups and other organizations to talk in greater detail about the options that DCE provides.

The informational DCE webpage has been launched. The team is working on the design and content of a bilingual, interactive website that is set to launch by June 1. The website will serve as a one-stop center of information on DCE's benefits, information about the Board, and details about the products that are offered. It also will be a place where consumers can "opt up" and select the 100 percent carbon-free option, or "opt out" and choose to stay with SCE. In addition to the website, DCE will have a strong presence on major social media platforms, which will be regularly maintained by the consulting team and staff.

The community outreach timeline was designed to establish DCE before consumers started receiving the required enrollment letters. The first round will go out June 4, and another enrollment letter will be released in late June. Consumers will also receive correspondence at least twice after DCE is launched.

**Fiscal Analysis:** DCE approved a contract with LEAN Energy US in February 2018. The contract included community outreach tasks such as website development, branding, CCA messaging, development of collateral and stakeholder outreach meetings. These efforts are handled by Green Ideals and Burke Rix Communications, which have separate agreements under LEAN. Direct costs related to the required enrollment notices, such as printing and postage, were not included.

**ITEM 7.1****Desert Community Energy  
Attendance Roster  
2018**

Jurisdictions											
Voting Members	Jan	Feb	Mar	April	May	June	July	Sept	Oct	Nov	Dec
Cathedral City	<b>X</b>	<b>X</b>	<b>X</b>								
Palm Desert	<b>X</b>	<b>X</b>	<b>X</b>								
Palm Springs	<b>X</b>	<b>X</b>	<b>X</b>								
Ex Officio Member											
Desert Hot Springs	<b>(A)</b>	<b>(A)</b>									

<b>(X)</b>	Voting member present
<b>(E)</b>	Ex Officio member present
<b>(A)</b>	Absent