



**DESERT COMMUNITY ENERGY BOARD
MEETING AGENDA**
MONDAY, FEBRUARY 4, 2019
2:30 PM

**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** [P2](#)
3. **PUBLIC COMMENTS**

Any person wishing to address the Desert Community Energy Board on items not appearing on the agenda may do so at this time.
4. **BOARD MEMBER / DIRECTOR COMMENTS**
5. **CONSENT CALENDAR**
 - A. **Approve November 19, 2018 Desert Community Energy Board minutes** [P3](#)
 - B. **Consulting Services Agreement with Don Dame** [P6](#)
6. **DISCUSSION / ACTION**
 - A. **Election of DCE Board Chair and Vice Chair – Tom Kirk**
Recommendation: Elect a DCE Board Chair and Vice Chair for the remainder of FY18/19
 - B. **DCE Rate Payer Survey Results - Katie Barrows** [P7](#)
Recommendation: Review survey results and provide direction to staff
 - C. **Energy Efficiency Program – Katie Barrows** [P9](#)
Recommendation: Provide direction to staff
 - D. **Pro Forma Update – Jeff Fuller, TEA**
Recommendation: Information only
7. **INFORMATION**
 - A. **Attendance Record** [P10](#)
8. **ANNOUNCEMENTS**

The next Desert Community Energy Board meeting is scheduled for February 25 at 2:30 pm
9. **ADJOURNMENT**

Item 2A

**Desert Community Energy Board
Member Roster**

Voting Members	Representative
City of Cathedral City	Councilmember John Aguilar
City of Palm Desert	Councilmember Sabby Jonathan
City of Palm Springs	Councilmember Geoff Kors

Non-Voting Members	Representative
City of Desert Hot Springs	Councilmember Yvonne Parks

CVCC Staff

Tom Kirk, Executive Director
Katie Barrows, Director of Energy & Environmental Resources
Benjamin Druyon, Management Analyst
Libby Carlson, Program Assistant

ITEM 5A



DESERT COMMUNITY ENERGY BOARD DRAFT MEETING MINUTES MONDAY, NOVEMBER 19, 2018

1. **CALL TO ORDER**

The meeting of the Desert Community Energy Board was called to order by Chair Kaplan at 2:42 pm on November 19, 2018.

2. **ROLL CALL**

Roll call was taken and a quorum was present.

Members Present

Councilmember Shelley Kaplan, Chair
Mayor Sabby Jonathan, Vice Chair
Councilmember Geoff Kors

Agency

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

Others

Joe Hummel

Palm Desert Resident

Ex-Officio / Non-Voting Member

Vacant

City of Desert Hot Springs

DCE Staff & Consultants

Tom Kirk
Katie Barrows
Linda Rogers
Libby Carlson
Colin Cameron (By Phone)
Jeff Fuller (By Phone)
Don Dame

The Energy Authority/TEA
The Energy Authority/TEA
DCE Consultant

3. **PUBLIC COMMENTS**

Joe Hummel, Palm Desert resident, addressed the DCE Board to express his support and appreciation for the work of the DCE.

4. **BOARD MEMBER / DIRECTOR COMMENTS**

Tom Kirk recognized staff member Linda Rogers in advance of her retirement and introduced new staff member Libby Carlson.

Tom Kirk also recognized outgoing Chair Shelley Kaplan to thank him for his contributions to the DCE.

5. CONSENT CALENDAR

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

- A. Approve DCE Board meeting minutes of July 16 and DCE Special Board meeting minutes of July 25 and August 15, 2018**
- B. Approve Amendment #1 to LEAN Energy US Services Contract which will:**
 - 1) Authorize the Executive Director to shift the not-to-exceed amounts for LEAN, Green Ideals, and BurkeRix consistent with program needs and budget; and**
 - 2) Extend the contract expiration date to December 21, 2020, due to the launch delay**
- C. Approve Amendment #2 to the cost-sharing agreement with Western Riverside Council of Governments for CCA-related legal services to:**
 - 1) Remove Los Angeles Community Choice Energy (now Clean Power Alliance); and**
 - 2) Transfer the agreement from Coachella Valley Association of Governments to Desert Community Energy; and**
 - 3) Increase the DCE share of the costs for a not-to-exceed amount of \$60,000**

THE MOTION CARRIED WITH 2 AYES AND 1 ABSTENTION ON ITEM 6A.

Councilmember Shelley Kaplan	AYE
Mayor Sabby Jonathan	AYE
Councilmember Geoff Kors	Abstain

THE MOTION CARRIED WITH 3 AYES ON ITEMS 5B AND 5C.

Councilmember Shelley Kaplan	AYE
Mayor Sabby Jonathan	AYE
Councilmember Geoff Kors	AYE

6. DISCUSSION / ACTION

A. DCE Power Liquidation and Account Settlement

Tom Kirk provided an update on the DCE power liquidation as approved by the DCE Board at its July 25 Special Meeting. Net revenue totals \$6,394,148.75, of which \$4,193, 918,75 has been transferred from TEA to DCE to-date. Receipt of remaining funds is anticipated by the end of the year. Net revenue will be used to settle obligations accrued by DCE, estimated at \$1,674,682.26 as of November 1, 2018. Estimated obligations are consistent with approved contracts and the DCE FY2018/2019 approved budget.

B. Power Charge Indifference: Impact to DCE

Jeff Fuller provided an overview of recently-approved PCIA rate changes and SCE's pending ERRA request under consideration by the CPUC, both of which impact structural advantages of CCAs, including DCE.

C. Desert Community Energy Launch Schedule Considerations

Don Dame outlined possible directions for DCE's program, beginning with a review of market conditions over the past 12 months. Mr. Dame also noted factors to consider when making a decision about next steps. For the program to launch in early 2020, Mr. Dame recommended choosing a course of action by the end of March 2019. Consumer sentiment was noted as a key consideration.

IT WAS MOVED BY COUNCILMEMBER KAPLAN, SECONDED BY COUNCILMEMBER KORS, TO AUTHORIZE THE EXECUTIVE DIRECTOR TO PROCURE A CONSULTANT TO DRAFT AND SHARE A SURVEY INSTRUMENT FOR REVIEW BY CITIES, FOR AN AMOUNT NOT TO EXCEED \$50,000.

THE MOTION CARRIED WITH 3 AYES.

Councilmember Shelley Kaplan	AYE
Mayor Sabby Jonathan	AYE
Councilmember Geoff Kors	AYE

7. INFORMATION

- 1) Attendance Roster
- 2) Report on CalCCA Annual Meeting

8. ANNOUNCEMENTS

The next meeting of the Desert Community Energy Board is scheduled for Monday, December 17, 2018, at 2:30 pm.

9. ADJOURNMENT

The meeting adjourned at approximately 3:52 pm.

ITEM 5B



DESERT COMMUNITY ENERGY BOARD MONDAY, FEBRUARY 4, 2019

STAFF REPORT

Subject: Consulting Services Agreement with Don Dame

Contact: Benjamin Druyon, Management Analyst (bdruyon@cvag.org)

Recommendation: Approve transfer of the Consulting Services Agreement with Don Dame from Coachella Valley Association of Governments to Desert Community Energy and authorize the Executive Director or Chair to execute the contract.

Background: In April 2017, the CVAG Executive Committee approved a contract with Don Dame, an independent consultant with considerable expertise on energy issues and Community Choice Aggregation (CCA) for an amount not-to-exceed \$40,000. Since that time, Mr. Dame's assistance has been invaluable to CVAG and Desert Community Energy, as he has assisted staff at every step of the process. In June 2018, the CVAG Executive Committee approved Amendment #1 to the Consulting Services Agreement between CVAG and Don Dame, increasing the contract not-to-exceed amount to \$70,000. Staff would like to continue the contract with Mr. Dame due to the ongoing need for technical assistance and his expertise on the complex array of community choice issues. Now that Desert Community Energy has funds available, staff recommends transferring Mr. Dame's contract from CVAG to Desert Community Energy. The contract with CVAG will be cancelled and a contract with Mr. Dame will be executed under the same terms. The contract will be reviewed by general counsel prior to execution.

Fiscal Analysis: Desert Community Energy will reimburse CVAG for all costs associated with the Consulting Services Agreement with Don Dame, as included in Desert Community Energy's FY2018/2019 budget. The contract is paid on a time and materials basis and as of December 31, 2018, there is \$25,947.00 remaining on the contract.

Contract Finalization: The Executive Director and/or legal counsel are authorized to make non-substantive changes or revisions to the agreement as necessary to address minor issues.

ITEM 6B



DESERT COMMUNITY ENERGY BOARD **MONDAY, FEBRUARY 4, 2019**

STAFF REPORT

Subject: DCE Ratepayer Survey Results

Contact: Katie Barrows, Director of Environmental Resources (kbarrows@cvag.org)

Recommendation: Review survey results and provide direction to staff.

Background: At the November 2018 DCE Board meeting, the Board authorized the Executive Director to engage a consultant to conduct a survey of DCE customers regarding Community Choice Aggregation and associated power supply choices that could be offered under such a program. The survey was intended to provide additional information to the Board regarding community interest and support in establishing DCE's local Community Choice Aggregation program, particularly as the Board considers the revised launch schedule.

A Request for Bids was circulated and three proposals were received: 1) EMC Research; 2) Probolsky Research; and 3) Tuchin Research. Probolsky Research was selected based on proposal completeness, understanding of the project, and estimated cost.

The survey was conducted from January 18 to January 24, 2019 both by telephone and online among electricity ratepayers in Cathedral City, Palm Desert, and Palm Springs. A total of 300 ratepayers (179 by phone and 121 online) were surveyed. In addition, an oversample of 200 ratepayers in each of the three cities was completed. The survey was offered in both English and Spanish. The survey methodology included a stratified random sampling protocol with a margin of error of +/- 5.8% and a 95% confidence level.

According to the survey results:

- ✓ A large majority (86.3%) of residents are unfamiliar with Community Choice Aggregation (CCA)
- ✓ A large majority (78.7%) of residents support DCE's CCA program after learning about what the program could provide to the community
- ✓ Among the 8.7% who oppose a CCA program, potential increase in electric bill cost is the biggest concern
- ✓ A large majority (76.3%) of residents would be willing to support DCE's CCA program to achieve local climate goals

- ✓ 41.5% would be willing to pay at least \$1 more on their monthly bill to achieve local climate goals
- ✓ 59.7% are more likely to be willing to pay more on their bill knowing that DCE's CCA program is locally controlled and will re-invest into the local economy instead of paying shareholders (strongest mover message)
- ✓ 56% are more likely to be willing to pay more on their bill knowing DCE's CCA program will place a priority on carbon-free energy sources, helping to meet local green-house gas reduction goals
- ✓ 55.7% are more likely to be willing to pay more on their bill knowing DCE's CCA program will purchase power used in the community from local geothermal, solar and wind sources
- ✓ In a split sampling question, 62.6% said they would be willing to pay 1-5% more on their electricity bill for a 100% carbon-free product, as long as they could opt down at any time. And 45.8% said they would not choose to opt out of the program.
- ✓ In another split sample question, 49% said they would be willing to pay 6-10% more on their electricity bill for a 100% carbon-free product, as long as they could opt down at any time. And 33.8% said they would not choose to opt out of the program.

Although relatively few residents are currently familiar with Community Choice Aggregation, given more information nearly 80% of those polled expressed support for a locally sponsored power program with emphasis on meeting community climate objectives, local economic development, and carbon-free energy resources. The less than 10% expressing opposition to a CCA was due, in part, to the possibility of higher power charges. The poll made it clear that ratepayers could opt-down to select a DCE product at near parity with current SCE charges or opt to remain with SCE.

In short, a substantial majority of those polled would support a locally controlled and focused power program given near parity rates compared to the current incumbent investor owned utility. And further, approximately half of respondents (49%) expressed a willingness to pay up to 10% more for a 100% carbon-free product. DCE's previously estimated program economics, with 3 levels of "carbon choice" fall within these rate bounds.

The results also suggest similar community perspectives across DCE's three participating cities. The complete survey results including a full description of the methodology can be found at the following link: <http://www.cvag.org/downloads/enviro/DCE/RatepayerSurveyResults.pdf>.

A member of the Probolsky Research team will attend the February 4 meeting to review survey methods, discuss the results, and answer any questions.

Fiscal Analysis: A contract with Probolsky Research was executed in early December 2018 for a total contract amount not to exceed \$15,800. The cost of the contract was within the budget authorized by the DCE Board.

ITEM 6C



DESERT COMMUNITY ENERGY BOARD MONDAY, FEBRUARY 4, 2019

STAFF REPORT

Subject: Energy Efficiency Program

Contact: Katie Barrows (kbarrows@cvaq.org)

Recommendation: Discuss potential energy efficiency program and provide direction to staff.

Background: One of the opportunities that is available to a Community Choice agency is an energy efficiency program that could be tailored to meet the needs of the participating communities and ratepayers. The California Public Utilities Commission (CPUC) has a program allowing CCAs to submit an Energy Efficiency Program Administration Plan (pursuant to Public Utilities Code Section 381.1(e) and (f) and Commission direction in D.14-01-033). The legislation allows a CCA to apply to the CPUC to administer cost-effective Energy Efficiency (EE) and conservation programs and to access EE funds from and provide EE programs to their customers. Currently, Marin Clean Energy and Lancaster Choice Energy are the only two CCAs in the state that have received approval from the CPUC through this program. As an example, Lancaster received approval in 2018 for a three-year plan authorizing over \$1.1 million in funds for local programs to help both residential and small business customers find new ways to lower their energy use and bills. Offering energy efficiency programs that are designed to suit the needs of our community members, given our extreme climate and air conditioning load, would be a benefit that DCE could provide to customers. The process would involve preparing a plan for submittal to the CPUC. Staff has been exploring this opportunity and has discussed the process of submitting such a plan with CPUC staff. Based on the CPUC process and the experience of others, getting a plan approved is expected to take a year or more. DCE could be eligible to submit a proposal before we begin serving customers. Given the time involved in getting a plan approved, staff would like to discuss this opportunity with the Board at the February 4 meeting. It is anticipated that DCE would need to bring on a consultant to assist in the process. If there is interest from the Board, staff would provide additional information at the next meeting on February 25, 2019.

Fiscal Analysis: The Energy Efficiency Program provides funding through the public goods charge collected from electricity customers. Funding for the Energy Efficiency program is based on a formula that allocates funds based on the number of CCA's electric service customers and other factors. An estimate of the amount of funding that could be available will need to be made and will likely require the assistance of a consultant.

ITEM 7A**DESERT COMMUNITY ENERGY BOARD
FY2018-2019 ATTENDANCE RECORD**

Voting Members	JUL 16	JUL 25	AUG 15	SEP	OCT	NOV	DEC	JAN
City of Cathedral City	✓	✓	✓	*	*	✓	*	*
City of Palm Desert	✓	✓	✓	*	*	✓	*	*
City of Palm Springs	✓	✓	✓	*	*	✓	*	*
Non-Voting Member								
City of Desert Hot Springs				*	*		*	*

Ex Officio / Absent
No Meeting