

BUTTE CHOICE ENERGY

A Joint Powers Agency Serving Butte County and the City of Chico

Board of Directors Meeting

Monday, April 13, 2020

Butte County Board of Supervisors Chambers



April 13th Agenda

CONSENT:

- 4 a. Approve Minutes of March 9, 2020 Board meeting

REGULAR MEETING:

- 5a. Operations and Administration Report
- 5b. Banking and Credit Services Update
- 5c. Agreement for Data Management and Call Center Services
- 5d. Agreement for Wholesale Power Services and Risk Management
- 5e. Agreement for Schedule Coordination Services
- 5f. PG&E Service Agreement and CPUC Registration
- 5g. Adopt Resolution Approving Conflict of Interest Code
- 5h. Discussion of BCE Policy Framework
- 6. Board Member and Staff Announcements
- 7. Adjournment

Item 5a: BCE Operations and Administrative Update

5a (i) 2020 Implementation Activities

- On-boarding our new power services & risk management team, Pilot Power Group (Q2)
- On-boarding our new schedule coordination team, ZGlobal (Q2)
- Continued work with PG&E on service integration and power-related issues (ongoing)
- CPUC compliance filings (ongoing)
- Selection and on-boarding of data management/call center vendor (Q2)
- Selection of a banking partner/credit terms for BCE banking operations (Q2)
- CEO posting and recruitment; select benefits package (Q2; target hire by end June)
- Press outreach and local presentations (ongoing)

Actions in the near future include:

- Identify office space, equipment and administrative support for new CEO (Q2/3)
- Development of budget (Q2)
- Determination of power mix (Q2/Q3)
- Submittal of Integrated Resource Plan (Q3)
- Discussion and adoption of various BCE policies (Q2-Q4)
- Issuance of a marketing and communications RFP, vendor selection, and roll out of public communications campaign (Q2-Q4)
- Issuance of power supply RFP (Q3/Q4)
- Rate design work (Q4)

Item 5a: BCE Operations and Administrative Update

5a (ii) BCE Financial Summary

2018 - 2020 Butte Choice Energy - Expense Detail Report

<u>Date</u>	<u>Vender</u>	<u>Tasks</u>	<u>Costs</u>
2018-19	EES Consulting	Feasibility Study (approximate costs)	\$85,000
2019	EES Consulting	Development and filing of Butte Choice Energy Authority Implementation Plan	\$28,505.00
6-Jan	LEAN Consulting	Technical support for 2019	\$9,388.78
12-Mar	EES Consulting/GDS Associates	Technical support 2020 through February	\$19,847.50
26-Mar	LEAN Energy	Technical support through March 26, 2020	\$9,437.50
30-Mar	Avery and Associates	CEO Recruitment work	\$8,900.00
7-Apr	EES Consulting/GDS Associates	Technical support for March 2020	\$15,870.76
		Total Expenses	\$176,949.54
			Balance Remaining on Contracts
	PFM	Banking and credit search consultant	\$10,000.00
	Avery and Associates	CEO Recruitment	\$16,100.00
	BB&K	General Counsel	\$120,000.00
	EES Consulting/GDS Associates	Technical Support	\$48,281.74
	LEAN Energy	Technical Support	\$56,173.72

Item 5a: BCE Operations and Administrative Update

5a (iii) PG&E Matters Related to BCE Implementation

- Meet and Confer
 - 2021 ERRA filing load and peak demand forecast finalized for BCE

Item 5a: BCE Operations and Administrative Update

5a (iv) Executive Search Update

The CEO position has posted! Check out www.buttechoiceenergy.org/resources.
Application deadline is May 8th.

Date	Action
Week of March 2	Vendor contract complete; Kick-off call w/Avery & Assoc.
Week of March 9	Board member Brown appointed; VCEA GM identified to assist
March 9-27	Development of candidate profile; digital job description
Week of April 6	Job posted; 4-week application deadline
Early-Mid May	Candidate screening for base qualifications; select top 8-10 for further vetting; select top 5-6 for interviews
Week of May 25	First-round interviews with top 5-6 candidates
June 8	Second round interviews with top 2-3 candidates; with full Board in closed session, prior to 6/8 Board meeting
Mid-June	Final interview if needed; candidate selection, finalize salary and benefits package
End June	Candidate offer and final negotiations; new CEO in place!

Item 5a: BCE Operations and Administrative Update

5a (v) Public Outreach/Marketing RFP

- Outreach to the City of Oroville ongoing
- Marketing/Communications RFP out in May
- BCE presentations and press coverage ongoing

Item 5b: Banking and Credit Services Update

Recommendation

Direct staff to negotiate terms for up to \$8M line of credit and establishment of banking operations with bank identified through request for proposal process.

Background

- RFP issued 3/9/20, responses received 4/3/20

Discussion

- Banking and credit services will bridge the gap in funding from the JPA members and the cash needed prior to launch as well as cash for working capital and power procurement, estimated to be \$8 million.
- May require credit support for pre-revenue line of credit
- Repayment term typically 60 months beginning at launch.

Item 5c: Contract for Data Management and Call Center Services

Recommendation

Approve contract with Calpine Energy Solutions to provide data management and call center services in support of BCE implementation and operations through June 30, 2023, and authorize the Interim Executive Directors to execute the agreement.

Background

- RFP issued January 28, 2020; 3 proposals received February 28; Phone Interviews conducted mid-March

Staff Comments

- Calpine has extensive experience as data manager and customer service provider for more than 15 CCAs
- Calpine's references provided exemplary review of Calpine as a consultant and service provider

Contract Details

- Cost: \$1.00/account/month
- Calpine will waive first two invoices in 2021, no costs paid upfront for pre-launch phase
- 3% Revenue collected from BCE will be invested in community programs/economic development
- Credit offer of \$500,000 over 24 months at 2% interest
- 3-Year Contract through June 2023
- Please see 4/13 Board packet for full service agreement

Item 5d: Contract for Power Services and Risk Management

Recommendation

Approve agreement with Pilot Power Group to provide wholesale power services in support of BCE implementation and operations through June 30, 2023 in substantially similar form, and delegate execution of the agreement to the Interim Executive Directors, with approval by Legal Counsel.

Previous Action

- At March 9th Board meeting, BCEA Board approved Interim Exec. Officers to negotiate final terms of contract with Pilot Power Group.

Contract Details

- Pilot Power Group will provide portfolio planning and management including power procurement and portfolio modeling, risk management, regulatory filings, and integrated resource planning
- Term: 3 Years through June 2023
- PPG to defer initial invoicing for 90 days from the date of service agreement execution
- Potential to borrow \$500,000, if needed, from PPG
- Estimated annual cost: \$150,000
- Please see 4/13 Board packet for full Service Agreement

Item 5e: Contract for Schedule Coordination Services

Recommendation

Approve agreement with Z-Global, Inc. to provide schedule coordination services in support of the BCE implementation and operations through June 30, 2023, and authorize Interim Executive Directors to execute the agreement.

Previous Action

- At March 9th Board meeting, BCEA Board approved Interim Exec Officers to negotiate contract with Z-Global for schedule coordinator services.

Contract Details

- Z-Global will act as Schedule Coordinator on behalf of BCEA and will manage congestion revenue rights
- Contract Term: 3 years ending June 2023
- Z-Global to defer first 3 invoices 90 days (post launch)
- Estimated annual cost: \$120,000
- Please see 4/13 Board packet for full service agreement

Item 5f: PG&E Service Agreement and CPUC Registration

Recommendation

Authorize Interim Executive Directors to execute PG&E Community Choice Aggregation service agreement, payment of Community Choice Aggregation bond, and submittal of registration packet to California Public Utilities Commission.

E-4907 Filing

- Draft Customer Notice due within 60 days of Filing Implementation Plan
- Registration Packet due within 90 days of filing Implementation Plan
- BCEA Requested an extension until April 30

Registration Packet

- Cover Letter
- Executed Service Agreement between PG&E and BCEA
- Draft Customer Notification Letter
- \$100,000 check for CPUC Bond

Item 5g: Adopt Conflict of Interest Code

Recommendation

Adopt Resolution 2020-01 adopting the Conflict of Interest Code for Butte Choice Energy Authority.

- The Political Reform Act (the “Act”) requires all state and local government agencies to adopt and promulgate a conflict-of-interest code establishing the rules for reporting personal assets and the prohibition from making or participating in the making of any decisions that may affect any personal assets.
- Direct Conflict of Interest code to be submitted to the Clerk of the Butte County Board of Supervisors as BCE’s code reviewing body. Possibly on 4/28 BOS agenda.
- **Next Steps:** Designated positions will need to file signed disclosure forms with BCEA Board Clerk within 30 days of BOS approval.

Item 5h: Discussion of BCE Policy Framework

Recommendation

Receive presentation and provide direction and feedback as needed.

Discussion

- CCAs in California are governed by a handful of legal, operational and policy documents including: 1) the JPA Agreement, 2) operating guidelines or bylaws if desired, and 3) Board policies that cover a range of issues.
- Proposed policies are presented within five operational categories: 1) administrative, 2) personnel/workforce, 3) customer and community, 4) financial, and 5) power supply.
- With the exception of a few admin. policies, most will be referred to the new CEO once s/he is on board.
- Please see 4/13 Board packet for full CCA policy matrix.

Items 6 and 7: Board and Staff Announcements and Adjournment

6. Board Member and Staff Announcements

7. Adjournment to next meeting: **May 11, 2020**