

# Butte Choice Energy Authority

## Board of Directors Regular Meeting

Monday, May 11, 2020, 5:30 pm  
326 Huss Lane, Chico, CA 95928

*Board members may be present via teleconference or in person.*

**Members of the Public may view the meeting and comment as set forth below.**

**Members of the public will NOT be permitted to enter the meeting site.**

**Coronavirus (COVID-19) Advisory Notice:** The health and safety of community members, public officials and employees is a top priority for BCEA. In compliance with local and state Public Health stay at home orders currently in effect, and as authorized by Executive Orders N-25-20 and N-29-20, the members of the BCEA Board and BCEA staff will be participating in person, electronically, or via teleconference in this meeting. The public will not be permitted to attend at the meeting site to comply with Public Health Orders and social distancing rules. Members of the public are encouraged to participate remotely from a safe location in the manner described below. Please note: should the stay at home orders change prior to this regular scheduled meeting, this agenda will be updated. Please check back on May 11<sup>th</sup> for any changes.

### Remote Public Participation:

#### A) How to watch the meeting via YouTube:

- a) From your on-line location, <https://www.youtube.com/channel/UCHidik5N5lu0dU8NwhK3hIw>. Please note there may be a several second delay when you view the livestream webcast.

#### B) How to provide public comment:

- a) Before the meeting: email your comments to [ButteChoiceEnergyCOB@buttecounty.net](mailto:ButteChoiceEnergyCOB@buttecounty.net) no later than noon on Monday, May 11, 2020 and they will be forwarded to the Board and included in the public record. Be sure to include the agenda item number you are addressing, as well as your full name and address.
- b) During the meeting: email your comment to [ButteChoiceEnergyCOB@buttecounty.net](mailto:ButteChoiceEnergyCOB@buttecounty.net) and your comment will be read verbatim into the record.

Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact [ButteChoiceEnergyCOB@buttecounty.net](mailto:ButteChoiceEnergyCOB@buttecounty.net) as soon as possible to ensure arrangements for accommodation.

#### 1. Call to Order

#### 2. Public Comment For Items Not on the Agenda

*This item is reserved for persons wishing to provide comment to the Board on any BCE-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be at the time the matter is called. Public comments from members of the public that are read at this meeting will be limited to 300 words.*

3. **Consent Agenda**

a) **Minutes from April 13, 2020 Board Meeting**

**Requested Action:** Approve the Minutes from the April 13, 2020 Board Meeting

4. **Regular Agenda**

a) **Operations and Administration Report from Interim Executive Officers**

Receive updates on various operational and administrative activities and file with this report.

Topics include:

- i. BCE Financial Update
- ii. BCE Contract Updates
- iii. PG&E Matters Related to BCE Implementation
- iv. CPUC Bond
- v. Executive Search Update
- vi. BCE Expansion/Marketing RFP
- vii. Cal-CCA Engagement
- viii. Administrative Items

**Requested Action:** Receive for information and provide any necessary direction.

b) **Discussion Regarding BCEA Office Space**

**Requested Action:** Provide feedback and direction to interim executive officers regarding options for BCEA office location and lease beginning in August 2020

c) **Adopt Resolution Approving Delegation of Authority to Chief Executive Officer for Regulatory and Legislative Matters**

**Requested Action:** Adopt Resolution adopting a policy to delegate authority to the Chief/Interim Executive Officer on regulatory and legislative matters impacting BCEA mission and operations.

d) **Policy Discussion Regarding Communities Wishing to Join BCEA**

**Requested Action:** Receive information and provide necessary direction.

e) **Board Member and Staff Announcements**

Board Members may briefly provide information to other members of the Board and the public, ask questions of staff, request an item to be placed on a future agenda, or report on conferences, events or activities related to BCE business. There is to be no action taken on comments made by Directors unless authorized by law.

**CLOSED SESSION**

**Public Employment**

Title: Chief Executive Officer

**Conference with Labor Negotiators**

Agency designated representatives: Brian Ring and Erik Gustafson, BCEA Interim Chief Executives; Shawn Marshall, LEAN Energy US; Jamie Cannon, City of Chico; Harriet Steiner, BB&K/General Counsel to BCEA.

Unrepresented employee: Chief Executive Officer

f) **Meeting Adjournment**

Public records that relate to any item on the open session agenda for a regular Board meeting are available on the BCEA website at [www.buttechoiceenergy.org](http://www.buttechoiceenergy.org). Public records that are distributed less than 72 hours prior to the meeting will be posted for public review at the same time they are distributed to all members, or a majority of the members of the Board.

# Butte Choice Energy Authority

## MINUTES

### APRIL 13, 2020

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**1. CALL TO ORDER**

Meeting called to order at 25 County Center Drive, Suite 205, Oroville, California.

Present: Debra Lucero, Butte County Board of Supervisor, District 2  
Alex Brown, Chico City Council, Vice Mayor  
Scott Huber, Chico City Council  
Doug Teeter, Butte County Board of Supervisor, District 5  
Brian Ring, Interim Executive Director  
Erik Gustafson, Interim Executive Director  
Harriet Steiner, General Counsel  
Ashley Snyder, Interim Clerk of the Board

Absent: Scott Huber had a medical emergency and left the meeting after Item 2.c.

CLERK'S NOTE: PURSUANT TO EXECUTIVE ORDER N-29-20 ON MARCH 17, 2020, RELATING TO THE CONVENING OF PUBLIC MEETINGS IN RESPONSE TO THE COVID-19 PANDEMIC, ALL MEMBERS OF THE BUTTE CHOICE ENERGY AUTHORITY BOARD OF DIRECTORS AS WELL AS THE BOARD'S GENERAL COUNSEL APPEARED TELEPHONICALLY AND PARTICIPATED IN THE MEETING TO THE SAME EXTENT AS IF THEY WERE PERSONALLY PRESENT. PURSUANT TO THE EXECUTIVE ORDER, AND TO MAINTAIN THE SOCIAL DISTANCING REQUIRED BY THE GOVERNOR'S SHELTER-IN-PLACE, THE CHAMBERS WERE CLOSED TO MEMBERS OF THE PUBLIC AND THE MEETING WAS LIVESTREAMED. MEMBERS OF THE PUBLIC WERE ABLE TO SUBMIT PUBLIC COMMENT VIA EMAIL TO [BUTTECHOICEENERGYCOB@BUTECOUNTY.NET](mailto:BUTTECHOICEENERGYCOB@BUTECOUNTY.NET).

**2. OATH OF OFFICE**

ASHLEY SNYDER, INTERIM CLERK OF THE BOARD, ADMINISTERED THE OATHS OF OFFICE FOR THE BOARD.

**3. PUBLIC COMMENT**

THE FOLLOWING MEMBERS OF THE PUBLIC ADDRESSED THE BOARD: CALLI-JANE DEANDA, EXECUTIVE DIRECTOR, BUTTE FIRE SAFE COUNCIL.

CLERK'S NOTE: DUE TO THE COVID-19 PANDEMIC, MS. DEANDA'S PUBLIC COMMENT WAS RECEIVED VIA EMAIL AND READ INTO THE RECORD BY THE CLERK.

4. CONSENT AGENDA

**MOTION:** APPROVE THE CONSENT AGENDA.  
(MOTION: HUBER; SECOND: BROWN)

**VOTE:** MOTION PASSED 3-0-1  
**AYES:** BROWN, HUBER, AND LUCERO  
**NAYS:** NONE  
**ABSTAINED:** TEETER

- a. Minutes from March 9, 2020 Board Meeting  
*Board Action:* Approved the Minutes from the March 9, 2020 Board Meeting

5. REGULAR AGENDA

- a. Operations and Administration Report from Interim Executive Officer

The Board received updates on various operational and administrative activities and file with this report. The following staff provided reports for the Board:

Brian Ring, Interim Executive Director, provided an update on activities surrounding the 2020 implementation of BCE, as well as discussed a summary of BCE financial actives;  
Gary Saleba, President / CEO, EES Consulting, Inc., provided an update on PG&E matters related to BCE Implementation;  
Shawn Marshall, Executive Director, LEAN Energy U.S., provided an update on the process of hiring an Executive Officer, and provided detail on the public outreach and marketing activities.

Public comment was opened and closed without any speakers.

*Board Action:* Received for information.

- b. Banking and Credit Services Update

Mike Berwanger, Managing Director, PFM Financial Advisors LLC, provided a report for the Board.

Public comment was opened and closed without any speakers.

**MOTION:** DIRECT STAFF TO NEGOTIATE TERMS FOR UP TO \$8 MILLION LINE OF CREDIT AND ESTABLISH BANKING OPERATIONS WITH THE BANK IDENTIFIED THROUGH THE REQUEST FOR PROPOSAL PROCESS.  
(MOTION: BROWN; SECOND: HUBER)

**VOTE:** MOTION PASSED UNANIMOUSLY  
**AYES:** BROWN, HUBER, TEETER, AND LUCERO  
**NAYS:** NONE

c. Agreement for Data Management and Call Center Services

Gary Saleba, President / CEO, EES Consulting, Inc.; and Ryan Baron, General Counsel, provided a report for the Board.

Public comment was opened and closed without any speakers.

**MOTION:** APPROVE AGREEMENT 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.  
(MOTION: HUBER; SECOND: BROWN)

**VOTE:** MOTION PASSED UNANIMOUSLY  
**AYES:** BROWN, HUBER, TEETER, AND LUCERO  
**NAYS:** NONE

d. Agreement for Wholesale Power Services and Risk Management

Gary Saleba, President / CEO, EES Consulting, Inc.; and Ryan Baron, General Counsel, provided a report for the Board.

Public comment was opened and closed without any speakers.

**MOTION:** 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.  
(MOTION: TEETER; SECOND: LUCERO)

**VOTE:** MOTION PASSED 3-0-1  
**AYES:** BROWN, TEETER, AND LUCERO  
**NAYS:** NONE  
**ABSENT:** HUBER

e. Agreement for Schedule Coordination Services

Gary Saleba, President / CEO, EES Consulting, Inc, provided a report for the Board.

Public comment was opened and closed without any speakers.

**MOTION:** APPROVE AGREEMENT WITH Z-GLOBAL INC. TO PROVIDE SCHEDULE COORDINATION 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.  
(MOTION: BROWN; SECOND: TEETER)

**VOTE:** MOTION PASSED 3-0-1  
**AYES:** BROWN, TEETER, AND LUCERO  
**NAYS:** NONE  
**ABSENT:** HUBER

f. PG&E Service Agreement and CPUC Registration

Gary Saleba, President / CEO, EES Consulting, Inc, provided a report for the Board.

Public comment was opened and closed without any speakers.

**MOTION:** 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.  
**(MOTION: LUCERO; SECOND: BROWN)**

**VOTE:** MOTION PASSED 3-0-1  
**AYES:** BROWN, TEETER, AND LUCERO  
**NAYS:** NONE  
**ABSENT:** HUBER

g. Adopt Resolution Approving BCE Conflict of Interest Code

Harriet Steiner, General Counsel, provided a report for the Board.

Public comment was opened and closed without any speakers.

**MOTION:** ADOPT RESOLUTION APPROVING BCE CONFLICT OF INTEREST CODE AUTHORIZE THE CHAIR TO SIGN.  
**(MOTION: LUCERO; SECOND: BROWN)**

**VOTE:** MOTION PASSED 3-0-1  
**AYES:** BROWN, TEETER, AND LUCERO  
**NAYS:** NONE  
**ABSENT:** HUBER

h. Discussion of BCE Policy Framework

Shawn Marshall, Executive Director, LEAN Energy U.S., provided an update on the process of hiring an Executive Officer, and provided detail on the public outreach and marketing activities.

Public comment was opened and closed without any speakers.

*Board Action:* Received for information.

6. BOARD MEMBER AND STAFF ANNOUNCEMENTS (NONE)

*There being no further business before the Butte Choice Energy Authority, the meeting adjourned. The Butte Choice Energy Authority will reconvene at the next regular meeting, scheduled for May 11, 2020.*

*ATTEST:  
Ashley Snyder  
Interim Secretary and  
Interim Clerk of the Board*

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*Debra Lucero, Chair  
Butte Choice Energy Authority*

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# 2018 - 2020 Butte Choice Energy - Expense Detail Report

<u>Date</u>	<u>Vender</u>	<u>Tasks</u>
2018-19	EES Consulting	Feasibility Study (approximate costs)
		Development and filing of Butte Choice Energy Authority
2019	EES Consulting	Implementation Plan
6-Jan	LEAN Consulting	Technical support for 2019
12-Mar	EES Consulting/GDS Associates	Technical support 2020 through February
26-Mar	LEAN Energy	Technical support through March 26, 2020
30-Mar	Avery and Associates	CEO Recruitment work
7-Apr	EES Consulting/GDS Associates	Technical support for March 2020
5-May	EES Consulting/GDS Associates	Technical support for April 2020
FYTD	Butte County Labor	Labor to support Butte Choice Energy implementation efforts
FYTD	City of Chico Labor	Labor to support Butte Choice Energy implementation efforts

**Total Expenses**

## Contract Details

PFM	Banking and credit search consultant
Avery and Associates	CEO Recruitment
BB&K	General Counsel
EES Consulting/GDS Associates	Technical Support
LEAN Energy	Technical Support

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## Costs

\$85,000

\$28,505.00

\$9,388.78

\$19,847.50

\$9,437.50

\$8,900.00

\$15,870.76

\$8,797.50

\$51,986.43

\$7,500.00

\$245,233.47

## Balance Remaining on

### Contracts

\$10,000.00

\$16,100.00

\$120,000.00

\$5,484.24

\$56,173.72

## BUTTE CHOICE ENERGY AUTHORITY

### Staff Report – Item 4a

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**To:** Butte Choice Energy (BCE) Board of Directors

**From:** Brian Ring, BCE Interim Co-Executive Officer and Assistant Chief Administrative Officer, County of Butte  
Erik Gustafson, BCE Interim Co-Executive Officer and Public Works Director, City of Chico

**Subject:** BCE Operations and Administration Report

**Date:** May 11, 2020

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#### **Recommendation**

Receive update and provide direction and feedback as needed.

#### **Background**

Staff will provide regular updates to the Board of Directors regarding BCE organizational development, administration and start-up activities. These items are informational only.

#### **Analysis and Discussion**

##### **i) BCE Financial Update**

**Implementation Expenses.** At the Board's last meeting in April, Board members received a summary of BCE-related expenditures since 2019 which included hard-cost expenditures paid to various vendors to date. At the Board's request, we have updated the expense summary to now include indirect labor costs borne by Butte County and City of Chico staff who are serving in an interim capacity in support of BCE. These costs are contemplated in the cooperative service agreements with BCE and will be tracked for reimbursement once the program is up and running. Please see attachment A for an updated expense summary.

**Banking and Credit Services.** Staff and consultants are working on an updated 5-year proforma to send to potential banking providers this week. From there, the proforma will be reviewed internally and the underwriting process will begin. We are also working on options for some portion of the loan to be guaranteed through cash collateral or a letter of credit, which will become more clear as the loan moves through bank review. We anticipate bringing the final credit agreement to the Board for approval at its June or July meeting.

**FY 2020-2021 Budget:** BCEA's JPA agreement currently stipulates a July 1 – June 30 fiscal year (or at a minimum through initial launch). Staff is working on preparation of BCE's first FY budget

for adoption at its June meeting. This effort will correlate with the proforma updates required by the bank as described above.

**ii) BCE Contract Updates**

All the power service and back office-related contracts have been signed with a term through June 30, 2023. These include Pilot Power Group, Z-Global Inc., and Calpine Energy Solutions. Each vendor has been asked to provide a detailed workplan/timeline which will be reflected in BCE’s master implementation timeline going forward. In addition, Pilot Power Group is working on BCE’s Energy Risk Management Policy for Board review in June as well as its Integrated Resource Plan, which must be filed with the California Public Utilities Commission on September 1. In addition, Calpine has agreed to work with BCEA regarding a local call center presence in the County.

**iii) PG&E Matters Related to BCE Implementation**

The utility service agreement with PG&E has been signed; draft customer notification has been submitted. Calping is setting up a meet and greet with PG&E.

**iv) CPUC Bond**

Calpine Energy Solutions provided \$100,000 to the CPUC on behalf of BCE in fulfillment of its financial compliance obligation. As articulated in the contract with Calpine, this is a loan provided to BCE at a rate of 2% to be repaid within 90 days of commencement of electric service.

**v) Executive Search Update**

As of May 7, BCE has received 13 applications with a closing date of Friday, May 8. Attached to this report please find a recruitment update from Avery & Associates. In addition, BCE reached out to Jamie Cannon, HR Director at the City of Chico who will be assisting with BCE employee benefits, the CEO contract and various requirements for on-boarding the new CEO. The Board will adjourn its May 11<sup>th</sup> meeting to a closed session to provide direction on salary range and discuss benefits options for the future CEO and BCE employees.

Below is an updated scheduled of events for the CEO hiring process.

<b>Date</b>	<b>Action</b>
March 2020	Development of candidate profile including stakeholder feedback; CCA CEO salary survey, develop job description and digital brochure
April 8 – May 8	Job formally posted; May 8 application deadline; recruitment and outreach underway
April 30	Call with City of Chico HR team to discuss interim HR support
<b>May 11 Board Mtg</b>	BCE Board Update; closed session to discuss CEO salary range and benefits options
Mid-May/Early June	Candidate screening for base qualifications; select top 4-6 for first round interview
May 27 or 28	<b>First-round interviews</b> with top 4-6 candidates; selection of top 1-3 candidates for finalist interviews

<b>June 8 Board Meeting</b>	<b>Second round interviews</b> with top 1-3 candidates; with full Board in closed session, prior to 6/8 Board meeting
Mid June	Final/third interview if needed; candidate selection
End June	Finalize CEO compensation package and employment agreement
<b>July 13 Board Meeting</b>	Board Approves CEO Hire and Compensation Package in Open Session
August 1	Proposed CEO Start Date

vi) **BCE Expansion/Marketing RFP**

Discussions continue with the City of Oroville. It is anticipated that a request will be made for the City of Oroville to be considered for BCE membership sometime this summer. The Board will be discussing a new member policy later in tonight’s agenda.

Staff and consultants are preparing BCE’s Marketing and Communications RFP which we expect to issue on May 14.

vii) **Cal-CCA Engagement**

BCEA is a member of Cal-CCA, and interim staff have begun to listen and participate on various calls regarding CCA progress and regulatory matters throughout the State.

viii) **Administrative Items**

Staff recently completed the application for BCE’s EIN Tax ID number which is needed to open a bank account and has received confirmation that the JPA is certified through the Secretary of States office. We are also working on options for liability insurance and expect to have a policy for Board approval at its June meeting.

**Attachments:**

- A. BCE Expense Spreadsheet
- B. Draft Customer Notification
- C. CEO Recruitment Update from Avery & Associates

# WELCOME TO BUTTE CHOICE ENERGY

**Butte Choice Energy Authority (BCEA) is a locally operated electric provider made up of the City of Chico and Unincorporated Butte County, offering lower rates and clean renewable energy.**



## **How does it work?**

BCEA purchases clean power, which is delivered to your home or business by Pacific Gas and Electric Company (PG&E). BCEA service helps keep involvement in energy choices local, creates jobs, provides economic benefits to our community, and reduces our community's greenhouse gas emissions.

You will be automatically enrolled in BCEA on your next scheduled meter read date following April 1, 2021 for non-residential and October 1, 2021 for residential accounts.

## **What about Billing?**

You will continue to receive a single monthly bill from PG&E, just as you would with PG&E bundled service. Your bill will include BCEA's power generation charges as well as PG&E transmission and distribution charges for delivering power directly to your home or business. PG&E will also charge BCEA customers a Power Charge Indifference Adjustment (PCIA) and a Franchise Fee Surcharge. Both are calculated based on the number of kilowatt hours used each month. The PCIA is intended to ensure that customers who switch to BCEA pay for energy that was acquired by PG&E to serve them prior to their switch.

BCEA electric generation rates are competitive. Available rates can be reviewed at [www.ButteChoiceEnergy.org](http://www.ButteChoiceEnergy.org) or by contacting BCEA at (###)###-####. Any changes to BCEA rates will be adopted at duly noticed public meetings of the BCEA Board of Directors.

Failure to pay: BCEA may transfer your account to PG&E upon 14 calendar days' written notice to you if you fail to pay any portion of the BCEA charges on your bill. If your service is transferred, you may be subject to additional requirements by PG&E.

Beginning April 1, 2021, BCEA will become the default electric power provider for your area.

## **Financial Assistance**

The California Alternate Rates for Energy (CARE) Program reduces energy bills for eligible customers by about 30% and the Family Electric Rate Assistance (FERA) Program reduces energy bills by about 12%. Qualifications are based on participation in public assistance programs, or on household income. If someone in your household needs powered medical equipment the Medical Baseline Program provides additional energy to your normal baseline allocation, saving you money.



If you don't currently receive CARE, FERA, or Medical Baseline assistance, you can quickly and easily apply through PG&E by calling them at (866) 743-2273 or visiting [pge.com](http://pge.com).

If you are currently enrolled in the California Alternative Rates for Energy (CARE) Program, the Family Electric Rate Assistance (FERA) program, Medical Baseline, Level Pay, or Summer Discount Program, you will continue to receive all benefits and discounts upon transfer to BCEA. All of these benefits and programs will remain the same.

**BCEA Plan Upgrade Option:**

Your account will be automatically transitioned to BCEA's Standard Plan; however, you have the option to upgrade your plan to a 100% renewable energy plan through BCEA. For more information, and to compare rate options, please visit [www.ButteChoiceEnergy.org](http://www.ButteChoiceEnergy.org).

**Opt Out:**

You have the right to opt-out of being a BCEA customer without penalty, if you opt out before the service transition date, or cancel electric service altogether (for example, if you move).

Customers who opt-out of BCEA after the service transition date may be charged a one-time account processing fee by PG&E and will be prevented from returning to BCEA for a minimum of 12 months. If you opt-out after the transition date, BCEA will charge you for all electricity used before transfer of your electric service back to PG&E. By opting out, you will be subject to PG&E's then current rates and terms and conditions of service. For details on PG&E's rates and terms and conditions, please visit [www.pge.com](http://www.pge.com). Accounts will be transferred on the day the electric meter is read and cannot be transferred during the middle of a billing cycle. For your request to be processed on your next meter read date, your request must be received at least 5 business days prior to the date on which the meter is read.

To opt out, please call BCEA at (###)###-#### or visit [www.ButteChoiceEnergy.org](http://www.ButteChoiceEnergy.org). Please have your electric bill handy so you have the information needed to process your request.

## **Butte Choice Energy – CEO Recruitment Update – May 4, 2020**

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Heading into the final week of the outreach period we have received 11 applications. All of our efforts are focused on candidate outreach and we are optimistic that more qualified candidates will enter the applicant field ahead of the deadline. We will loop back with the next steps in our process once we give a final tally next week.

### Completed Tasks:

- Brochure was drafted, approved and received.
- Potential sources/candidates have been identified from our database and other sources.
- Brochure has been posted on the Avery website.
- Web postings were placed on: California City News, CSAC, Careers In Government, Jobs Available, Public Power, CMUA, NWPPA, MMANC, MMASC and Western City, and LinkedIn.
- Brochure was mailed out to lists and targeted candidates.

### Pending Tasks

- Conduct candidate outreach through LinkedIn and email.
- **Close Date: May 8, 2020.**
- Identify individuals to be phone “qualified” to determine if appropriate for formal interviews with the firm.
- Conduct preliminary reference checks on the interviewed and recommended candidates.
- Prepare assessments and other materials for candidate presentations.
- Establish dates for both presentation of candidate recommendations and final interviews.





## BUTTE CHOICE ENERGY AUTHORITY

### Staff Report – Item 4c

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**To:** Butte Choice Energy (BCE) Board of Directors

**From:** Brian Ring, BCE Interim Co-Executive Officer and Assistant Chief Administrative Officer, County of Butte  
Erik Gustafson, BCE Interim Co-Executive Officer and Public Works Director, City of Chico

**Cc:** Adopt Resolution Approving a Policy to Delegate Authority to CEO for Regulatory and Legislative Matters

**Date:** May 11, 2020

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#### **Recommendation**

Adopt attached Resolution 2020-\_\_ and corresponding policy authorizing SDCP's Chief Executive to take positions on regulatory and legislative items when certain conditions are met.

#### **Background**

At its meeting on March 9, 2020, the BCEA Board received a summary report that provided an overview of the various Agency and CCA policies that it may wish to consider as BCEA continues through start-up and into operations. Policies addressing a range of topics will be established as needed to guide BCEA's various operational and customer practices. Policies may be adopted, amended or rescinded upon majority vote of the Board.

#### **Analysis & Discussion**

The attached policy delegating limited regulatory and legislative authority to the CEO is consistent with similar delegation of authority policies at several operational CCAs throughout California. The policy will allow BCEA's CEO to appropriately and timely respond to regulatory or legislative actions that may impact the mission and/or operations of BCEA. This policy is intended to delegate authority to the CEO and/or relevant designees when certain conditions are met. These include:

1. The regulatory, legislative, or other proposed action is directly related to and consistent with or will adversely impact BCEA's mission and operations.
2. Because of time constraints, bringing the matter to the Board of Directors at its next regularly scheduled meeting is not practical.
3. Calling a special meeting of the Board to address the matter is neither practical nor necessary under the circumstances.

4. The CEO has investigated and is aware of the positions, if any, of (1) other California CCAs and its trade association Cal-CCA; (2) state and federal legislators representing the Butte County region its cities, and (3) BCEA's member agencies.
5. The CEO has conferred with the Chair of the Board (or Vice Chair in the Chair's absence) and both the CEO and the Chair/Vice Chair agree that: (a) the position that the CEO intends to take is consistent with the mission of BCEA; (b) bringing the matter to the Board at its next scheduled meeting is not practical or appropriate under the circumstances; and (c) taking the position without a vote of the Board is appropriate under the circumstances.
6. The CEO will report positions taken pursuant to this policy at the next regularly scheduled Board of Directors meeting as part of the CEO's Report or the Regulatory/Legislative Report.

### **Attachments**

1. Resolution 2020-\_\_
2. Policy # \_\_Delegation of Authority to CEO Regarding Regulatory and Legislative Matters

**RESOLUTION NUMBER 2020-\_\_**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF BUTTE CHOICE ENERGY AUTHORITY  
AUTHORIZING DELEGATION OF AUTHORITY TO CEO FOR REGULATORY AND LEGISLATIVE  
ACTIONS**

**WHEREAS**, Butte Choice Energy Authority (BCEA) is a joint powers authority established in November 2019, pursuant to the Butte Choice Energy Joint Powers Agreement (JPA) and organized under the Joint Exercise of Powers Act (Government Code Section 6500 et. seq.); and

**WHEREAS**, BCEA members include the County of Butte and the City of Chico, California; and

**WHEREAS**, BCEA seeks to delegate authority to its Chief Executive or designee to take regulatory and legislative action when certain conditions are met as set forth in the attached Policy.

**WHEREAS**, This policy will allow BCEA's Chief Executive or designee to appropriately and timely respond to regulatory or legislative actions that may impact the mission and/or operations of BCEA. This policy is intended to ensure that BCEA maintains critical presence and influence at the State level.

**WHEREAS**, BCEA seeks to establish a Delegation of Authority to CEO for Regulatory and Legislative Matters Policy consistent with relevant local, state, and federal laws and regulations.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of Butte Choice Energy Authority as follows:

1. The Board of Directors has determined the recitals herein are true and correct.
2. The Board of Directors hereby adopts the Policy 'Delegation of Authority to CEO for Regulatory and Legislative Matters.'
3. This Resolution shall be effective immediately after its adoption by the Board of Directors.

**PASSED AND ADOPTED** at a meeting of the Board of Directors of Butte Choice Energy Authority on May 11, 2020.

**ATTEST:**

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Debra Lucero, Chair, Board of Directors  
Butte Choice Energy Authority

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Ashley Snyder, Secretary, Board of Director  
Butte Choice Energy Authority

**Delegation of Authority to CEO for  
Regulatory and Legislative Matters**

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**Subject:** Delegation of authority to Chief Executive Officer to take a position and/or action regarding regulatory and legislative matters of import to BCE.

**Purpose:** On occasion, the Chief Executive Officer is approached with a time-sensitive request to take a position or action on a regulatory, legislative, or other governmental matter related to Butte Choice Energy mission and operations. This policy is intended to delegate authority to the Chief Executive Officer and/or relevant designee(s) to take necessary regulatory or legislative action consistent with BCE's mission and goals when certain conditions are met.

**Policy:** Butte Choice Energy hereby delegates authority to the Chief Executive Officer or relevant designee to sign regulatory or legislative documents or related materials on behalf of BCE, when all of the following conditions are met:

1. The regulatory, legislative, or other proposed action is directly related to and consistent with or will adversely impact BCE's mission and operations.
2. Because of time constraints, bringing the matter to the Board of Directors at its next regularly scheduled meeting is not practical.
3. Calling a special meeting of the Board to address the matter is neither practical nor necessary under the circumstances.
4. The CEO has investigated and is aware of the positions, if any, of (1) other California CCAs and its trade association Cal-CCA; (2) state and federal legislators representing the Butte County region its cities, and (3) BCE's member agencies.
5. The CEO has conferred with the Chair of the Board (or Vice Chair in the Chair's absence) and both the CEO and the Chair/Vice Chair agree that: (a) the position that the CEO intends to take is consistent with the mission of BCE; (b) bringing the matter to the Board at its next scheduled meeting is not practical or appropriate under the circumstances; and (c) taking the position without a vote of the Board is appropriate under the circumstances.
6. The CEO will report positions taken pursuant to this policy at the next regularly scheduled Board of Directors meeting as part of the CEO's Report or the Regulatory/Legislative Report.

## BUTTE CHOICE ENERGY AUTHORITY

### Staff Report – Item 4b

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**To:** Butte Choice Energy (BCE) Board of Directors

**From:** Brian Ring, BCE Interim Co-Executive Officer and Assistant Chief Administrative Officer, County of Butte  
Erik Gustafson, BCE Interim Co-Executive Officer and Public Works Director, City of Chico

**Subject:** BCEA Office Space

**Date:** May 11, 2020

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#### **Recommendation**

Receive update and provide direction and feedback as needed.

#### **Background**

Office space will be needed for BCEA to support staff that will coming on board starting in August 2020.

#### **Analysis and Discussion**

It is anticipated that BCEA will hire between 6-8 staff people between August 2020 and the end of 2021 who will need a place to work. Staff has researched a number of local office space options worthy of consideration:

1. BCAG – does not have any office space available.
2. County – does not have any office space available.
3. City of Chico – appears to have office space available, possibly in its Old Municipal Building (OMB) or in City Hall.
4. Other privately owned space within the City of Chico or the unincorporated areas within the County.

Of the options identified above, office space within the City of Chico or other areas within the City or unincorporated area of the County are the two most viable options. At this stage, staff recommends further analysis regarding pricing and private space availability within the City of Chico and the unincorporated area of the County, as well as what options are in fact available within the OMB or the new Chico City Hall.

Once staff receives Board direction, we will research further options with the intention of bringing a lease agreement for Board approval in July.

## BUTTE CHOICE ENERGY AUTHORITY

### Staff Report – Item 4d

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**To:** Butte Choice Energy (BCE) Board of Directors

**From:** Gary Saleba, Executive Consultant, EES Consulting (GDS Associates)  
Ryan Baron, Partner, BB&K

**Cc:** Brian Ring, BCE Interim Co-Executive Officer and Assistant Chief Administrative Officer, County of Butte  
Erik Gustafson, BCE Interim Co-Executive Officer and Public Works Director, City of Chico

**Subject:** Policy Discussion Regarding Communities Wishing to Join BCEA

**Date:** May 11, 2020

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#### **Recommendation**

Discuss conceptual legal and technical framework for adding members to BCEA. Provide feedback and direction for subsequent policy adoption.

#### **Background**

The Butte Choice Energy Authority's (BCEA) Joint Power's Agreement (Agreement) was initially developed around the City of Chico and unincorporated Butte County that came together to form BCEA in November 2019. More recently, there has been interest expressed by other local governments within the County to join BCEA. The purpose of this staff report is to present and analyze the legal and technical issues and processes associated with adding new members to BCEA. The following analysis is split between governance and financial considerations.

#### **Discussion and Analysis**

The BCEA JPA Agreement provides direction on the governance process for adding a new member.

Section 4.1 discusses the addition of voting directives for a new member as follows:

- 4.1 **Board of Directors.** The governing body of the Authority shall be a Board of Directors ("Board") consisting of two directors for each Party appointed in accordance with Section 4.2 (appointment and Removal of Directors) of the Agreement.

Section 2.5 addresses the financial process and requirements for adding a new member to BCEA. This section is relevant as any additions will be after the 180-day grace period for a new member to join as an Initial Participant.

2.5 **Addition of Parties.** After 180 days from the Effective Date any incorporated municipality, county or other public agency may become a Party to this Agreement if all of the following conditions are met:

- 2.5.1 The adoption of a resolution of the Board admitting the public agency to the Authority.
- 2.5.2 The adoption by an affirmative vote of the Board satisfying the requirements described in Section 4.10 (Board Voting) of this Agreement, of a resolution authorizing membership into the Authority and establishing its pro rata share of organizational, planning and other pre-existing expenditures and describing additional conditions, if any, associated with membership.
- 2.5.3 The adoption by the public agency of an ordinance required by Public Utilities Code Section 366.2(c) (12) and approval and execution of this Agreement and other necessary program agreements by the public agency.
- 2.5.4 Payment of the membership payment, if any, and
- 2.5.5 Satisfaction of any reasonable conditions established by the Board.

Pursuant to this Section 2.5 (Addition of Parties), all parties shall be required to commence electric service as soon as is practicable, as determined by the Board, as a condition to becoming a Party to this Agreement.

Together, Sections 2.5 and 4.1 prescribe that a new member will get two seats on the BCEA Board of Directors, and a new member must pay a prorata share of pre-existing expenditures and any membership payment as established by the BCEA Board of Directors.

For purposes of this memo and to facilitate subsequent illustrative examples, assume that the City of Oroville wishes to join BCEA. First, the documentation needed in Section 2.5 must be completed and filed with BCEA. Secondly, a prorata percentage for Oroville must be determined. Based upon 2016 PG&E usage data contained in the initial BCEA CCA Feasibility Study (most recent data readily available), Oroville’s prorata share of the BCE load would be as follows:

<b>Local Government</b>	<b>2016 GWh Sales</b>	<b>% of Total</b>
Chico	475	42.3%
Unincorporated County	506	45.1
Oroville	142	12.6
	1,123	100.0%

When looking at the possible addition of Oroville, or any other local governmental entity, the assumptions of a prorated amount of pre-existing expenses must be considered unless the Board determines that it wishes to amend the JPA agreement and adopt a different financial policy for new members.<sup>1</sup> The City of Chico and unincorporated County have contributed \$300,000 each to cover BCEA out-of-pocket expenses incurred through CCA launch. On a prorated basis, a comparable contribution from Oroville would be roughly \$90,000.

Additionally, before BCEA accepts a new member it would be prudent to run the CCA financial proformas again with Oroville included in the feasibility calculations to ensure Chico and the County are held harmless financially from the addition of Oroville's electric load. Updating these proformas will cost another \$10,000.

In addition to costs associated with the startup of BCEA, the Board should also consider the non-financial implications of the addition of a new member. Such things for consideration should include the environmental and economic goals of the potential new member as well as the value of the new customer base that a new community brings to BCEA. Specifically, you want to make sure that the goals of the new member and BCEA align.

Based upon these rough calculations and the process outlined in this memo, a condition of Oroville joining BCEA would be for Oroville to contribute \$100,000 towards BCEA's operational budget from now until launch, unless the Board determines a lower amount and amends the JPA agreement. After launch and the inclusion of the additional community (Oroville in this analysis), Oroville's customers would cover their prorata share of BCEA costs through payment of their customer electric bills. The Board could also include in its new member policy a return of the initial capital contribution on the same basis that the City of Chico and County of Butte will be reimbursed for their initial \$300,000 contributions.

While other membership fees as directed by the Board may be appropriate, this initial analysis provides a framework for the Board and new member agencies should they choose to join BCEA at this time.

### **Fiscal Impact**

None at this time.

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<sup>1</sup> Some CCAs charge new members only for the costs of updating the proforma and implementation plan, which is ~\$25,000-\$30,000. This is because they have determined that the long-term value of adding new customer load exceeds the pro-rata share of pre-revenue financial obligations, and/or third party financing has already been secured, thus mitigating the need for additional local government contributions.