



POLICY BOARD MEETING

December 13, 2017

Today's Agenda

1. Welcome & Roll Call
2. Consideration of Late Additions and/or Deletions to Consent and Regular Agendas
3. Oral Communications For Items Not on the Agenda

CONSENT AGENDA

4. Approval of Minutes from September 13, 2017 Policy Board Meeting
5. Appoint Bren Lehr, MBCP Board Clerk, to Serve as MBCP Board Secretary

REGULAR AGENDA

6. CEO's Report
7. Adopt Resolution Approving 2018 Rates and Rebate Schedule
8. Adopt Resolution for 2018 Policy Board Meeting Calendar
9. Adjournment to Closed Session

Item #6:

Policy Board Meeting

CEO Report

December 13, 2017

Item #6: CEO Report

Agency Formation and Status

- Joint Powers Agreement -- the Agency was formed in March 2017 comprised of 3 Counties and 16 incorporated cities within the Tri-County region
- Implementation Plan was approved and submitted to the CPUC in August, 2017. Certification was received on November 15, 2017
- Pacific Gas & Electric Service Agreement was signed and mailed to PG&E on November 30, 2017
- Request for \$100,000 check was requested and will be submitted to the CPUC as soon as PG&E executes the Service Agreement

Item #6: CEO Report (cont.)

Key Contract Services

Data Management and Call Center

- 5 Year Agreement was negotiated with GridX and executed on November 30, 2017

Power Scheduling Coordination Services

- 5 Year Agreement was negotiated with The Energy Authority and is scheduled for execution in early December

Item #6: CEO Report (cont.)

Power Supply Arrangements

- Negotiated enabling and confirmation agreements for short term power supply with 7 power suppliers and marketers
 1. Exelon Generation Company, LLC (“Constellation”)
 2. Powerex Corp. (“Powerex”)
 3. Tenaska Power Services Co. (“Tenaska”)
 4. TransAlta
 5. Morgan Stanley
 6. Shell Energy North America (US), L.P. (“Shell”)
 7. Direct Energy
- Negotiated 3 banking agreements to provide for the creation of secure lockbox to facilitate payment to certain power suppliers
- In Mid-December, plan to execute confirmations to hedge electricity demand for 100% of 2018, 80% of 2019, 65% of 2020 and 50% of 2021

Item #6: CEO Report (cont.)

New Office

- Located at 70 Garden Court, Monterey, CA
- Negotiated 5-year lease; move in on December 18

New Hires *(additional positions also posted)*

| Name | Position | Start Date |
|----------------|--|-------------|
| Mark Bachman | Key Account Manager | December 1 |
| Tiffany Law | Finance Manager | December 1 |
| Mark Adato | Community Engagement & Event Coordinator | December 1 |
| Bren Lehr | Board Secretary & Administrative Assistant | December 11 |
| Peter Berridge | Marketing & Communications Manager | January 8 |

Item #6: CEO Report (cont.)

Contract Employees

- James Mark, Key Account Management Support
- Cynthia Jordan, HR Manager
- Dana McRae, General Counsel

Consultants

- Alvarez Technology Group, IT Support
- LEAN Energy, Implementation and Administration
- Pacific Energy Advisors, Power Supply Planning and Acquisition
- Miller Maxfield, Marketing and Communication
- Michael Maher Consultancy, Accountant
- ADP, Payroll and Benefits Administrative Services
- Del Gavio Group, Office Design and Furnishing

Item #6: CEO Report (cont.)

MBCP's Power Program Options

MBchoice: MBCP's Default Product

- Carbon free supply that includes 30% CA eligible renewables
- 3% rebate off the generation rate for 2018, which will be paid quarterly or bi-annually for large and medium commercial customers and annually, in December, for residential customers.

MBgreen+: Local Renewable Option

- Allows customers to re-direct their rebate to support investment in local renewable resources .

MBshare: Local Sharing Option

- Allows customers to donate their rebate to fund local non-profit projects that lower greenhouse gas emissions and/or support low income rate-payers
- Proposing to allocate funds through the Community Foundations in each County
- Proposed as a tax deductible contribution

Item #6: CEO Report (cont.)



Item #6: CEO Report (cont.)

What's Next...

- Prepare For Service Roll Out Starting in March
- Moving to the New Office in Monterey
- Acquisition of Short-term Power Supply
- Negotiate and Execute Long-term Renewable Resources
- Key Account and Customer Outreach
- Recommend Formation of Stakeholder Group

Item #7: Approval of 2018 Rates and Rebate Schedule

Recommendations:

1. Approve and adopt proposed MBCP Electric rates
2. Authorize revisions to the adopted rates during 2018 to ensure generation rates parity to PG&E
3. Approve 3% rebate level to apply to customer bills on annual, biannual or quarterly basis, subject to customer classification

Item #8: Approve 2018 Meeting Schedule of the Policy Board

Recommendation:

- The Policy Board will meet quarterly in 2018. On the first Wednesday of the following months: March, June, December and on the second Wednesday in September.
- Time/Location: 9:00 a.m. at Council Chambers, Watsonville City Hall or the Board Room at MBCP's new office in Monterey. Location pending space availability.

Board to Adjourn to Closed Session

Joint Board Workshop -- Saturday, January 20, 2018
Next Policy Board Meeting – Wednesday, March 7, 2018



Happy Holidays!