



**Meeting of the Operations Board of Directors**

Wednesday, October 11, 2017

9:00 am

City of Watsonville City Council Chambers

275 Main Street, 4<sup>th</sup> Floor

Watsonville, CA 95076

Meetings are accessible to people with disabilities. 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 Laurel Gazza, Interim Board Clerk, at 831-454-2329 or laurel.gazza@santacruzcounty.us.

If you have anything that you wish to be distributed to the Board please hand it to a member of MBCP interim staff who will distribute the information to the Board members and other staff.

1. **Welcome and 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 6, 2017 Policy Board Meeting**

**REGULAR AGENDA**

5. **CEO's Report** (*Discussion Item*)
  - MBCP Staffing Update
  - Banking/Credit Update
  - RFO Updates
  - Marketing & Outreach Report
6. **Authorize CEO to Negotiate and Execute a Contract for Data Management/Call Center Services** (*Action Item*)

**7. CLOSED SESSION AGENDA**

SCHEDULE A CLOSED SESSION TO BE HELD AT THE CONCLUSION OF THE BOARD'S CONSENT OR REGULAR AGENDA, OR AT ANY OTHER TIME DURING THE COURSE OF THE MEETING ANNOUNCED BY THE CHAIRPERSON OF THE BOARD.

**A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

Address: 70 Garden Court, Monterey, CA

APN: #013-351-002

Under Negotiation:

Negotiating Parties: Monterey Bay Community Power Authority and Gregory Wood

Report of General Counsel will be given at the conclusion of the closed session on any reportable action(s) taken in the closed session.

**8. Adjournment to Next Operations Board Meeting on November 1, 2017**

Public records that relate to any item on the open session agenda for a regular board meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Board. Until MBCP has offices, the Board has designated the County of Santa Cruz General Services Department, located at 701 Ocean Street, Room 330, Santa Cruz, CA 95060 for the purpose of making those public records available for inspection. The documents are also available on the MBCP website located at: [MBCommunityPower.org](http://MBCommunityPower.org).



**Meeting of the Operations Board of Directors**

Wednesday, September 6, 2017

9:00 am

City of Watsonville City Council Chambers

275 Main Street, 4<sup>th</sup> Floor

Watsonville, CA 95076

**MINUTES**

1. The meeting was called to order at 9:05 am, there were 8 members present and a quorum was established.

**CONSENT AGENDA**

- 4 **APPROVED** Minutes from August 2, 2017 Operations Board Meeting

*Motion: Palacios, Second: Collins*

*Vote: Unanimous*

**REGULAR AGENDA**

- 5 Interim CEO Tom Habashi gave presentation on the CEO's Report which included update on CalCCA, Data Management RFP, and Short Term and Long Term Power Supply.  
*(Discussion only, no vote).*

- 5.1 **APPROVED** staff recommendations for MBCP Procurement Plan and Power Supply Mix including **additional direction** of meeting RPS requirements using PCC1 and the remainder using large hydro electric carbon free. (formerly item #11, moved as part of revision sheet).

*Motion: Corpuz, Second: Mendez*

*Vote: Unanimous*

- 6 **RECOMMENDED MOVED** MBCP's FY 2017-2018 Budget to the Policy Board for Approval

*Motion: Montoya, Second: Harvey*

*Vote: Unanimous*

- 7 **RECOMMENDED MOVED** Banking and Credit Services Contract with River City Bank to the Policy Board for Approval

*Motion: Palacios, Second: Corpuz*

*Vote: Unanimous*

- 8 **RECOMMENDED MOVED** Approval of Limited Delegation of Authority for CEO in an amount not to exceed \$100,000 to the Policy Board for Approval and to take position on legislative and regulatory matters.

*Motion: Montoya, Second: Corpuz*

*Vote: Unanimous*

- 9 **RECOMMENDED MOVED** MBCP Rate Design and Disposition of Net Revenue to the Policy Board for Approval with **additional direction** of understanding that by at least March 2018, when there is a clear understanding of fiscal budget, there should be a set of financial or fiscal policies that deal with reserves and revenue disposition, capital, etc., as guiding principals for the agency.

*Motion: Corpuz, Second: Montoya*

*Vote: Unanimous*

- 10 **APPROVED** MBCP Staffing Plan, Compensation/Benefits Schedule, and Employment Policies with **additional direction** to give Interim CEO authority to use vacation time as a tool for recruitment as well.

*Motion: Montoya, Second: Palacios*

*Vote: Unanimous*

- 11 **Adjourned** at 10:45 am.

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## Staff Report – Item 5

**TO:** Monterey Bay Community Power Policy Board of Directors

**FROM:** Tom Habashi, Chief Executive Officer

**SUBJECT:** CEO Report

**DATE:** October 11, 2017

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### **MBCP Staffing Update**

MBCP has retained the services of Bryce Consulting based in Sacramento and Cynthia Jordan, based in Santa Cruz, to assist with the recruitment of MBCP's initial staff. Bryce Consulting has previous experience with CCA recruitment and staffing and Ms. Jordan is a local human resource consultant that joins the team to focus on local outreach and recruitment for MBCP's posted positions. Both Bryce and Ms. Jordan are under subcontract to existing MBCP contractor LEAN Energy US. Over the last two weeks, seven positions have been posted on MBCP's website and on multiple job sites throughout California. Applications are starting to come in and we anticipate that vetting and interviews will begin sometime in the next two weeks with the goal of hiring initial staff members in early November, once the line of credit is in place and we have funding to pay staff. Additional job postings and hires will occur on a rolling basis in the coming months.

### **Banking and Credit Services Update**

Work continues to complete the loan closing, guarantee agreements and deposit account set up with River City Bank. We expect to have all documentation completed by the end of October with credit available by early November.

### **Request for Proposal and Offers**

MBCP issued two Requests for Proposals for power supply. The first is a joint RFO with Silicon Valley Clean Energy issued in September, aiming to meet 10% of MBCP's long-term energy needs (10-20 years), starting in 2020. The second is a short-term RFO aimed at hedging 100% of power supply prices for 2018 and lesser portions for 2019 thru 2021. Contract(s) with prospective power developers and suppliers are expected to be executed in December 2017 and January of 2018.

### **Marketing and Outreach**

Attached please find a summary of marketing activities in the month of September.



The following is a summary of September 2017 marketing and outreach activities:

**New Website: Phase 1**

|                                  |
|----------------------------------|
| Website design completed         |
| Website copy complete            |
| Tri-county photo shoot completed |
| Website soft launch underway     |

**Strategic Counsel, Advocacy & Media Relations**

|   |
|---|
| MBCP marketing plan updated   |
| MBCP core messaging finalized   |
| AB 726 and 813: message development, communication with advocates and media pitching/coordination |

**Current Website**

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|--|
| Conduct maintenance; update content including meetings agendas and video, RFO for power procurement and job postings |
|--|

**Recent Community Outreach: Sponsorships, Tabling and Speaking Opps**

|  |
|--|
| Monterey County Fair, Aug 31 – Sep 4                   |
| Santa Cruz County Fair, Sep 13 – 17                    |
| San Benito County Fair, Sep 28 – Oct 1                 |
| Nat’l Electric Vehicle Drive Day – Monterey Bay, Sep 9 |
| Santa Cruz Green Business Mixer, Sept 27               |
| Hollister Farmers Market, Sep 27                       |
| Santa Cruz Open Streets Festival, Oct 8                |

**Upcoming Community Outreach: Sponsorships, Tabling and Speaking Opps**

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|--|
| Monterey County Business Council, T. Habashi presentation, Oct 13  |
| Greenfield Harvest Festival, Oct 15                                |
| Pacific Grove Chamber of Commerce, T. Habashi presentation, Oct 19 |
| Santa Cruz Chamber Annual Community Gala, Oct 26                   |
| Monterey Bay Economic Partnership, State of the Region, Nov 8      |
| Community Choice Energy Summit, Nov 14 – 16                        |

**Collateral, Printing & Tools**

|  |
|--|
| MBCP standard PowerPoint presentation created              |
| Messaging updates and re-printing of MBCP mini-brochure    |
| Design and printing of MBCP sticker giveaways              |
| Design and printing of MBCP-branded pop-up tent for events |
| MBCP updated vertical and horizontal banners in production |

**Radio Advertising**

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|---|
| KAZU underwriting secured for the period Oct. 15 – Dec. 15                      |
| Spanish radio advertising agreements finalized for the period Oct. 15 – Dec. 15 |

**Social Media**

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|--|
| Ongoing content creation and page promotion for Facebook and Instagram |
| Set up of MBCP Nextdoor account initiated                              |

**Video**

|                                 |
|---------------------------------|
| Scripting/scheduling in process |
|---------------------------------|

**eNews**

|                             |
|-----------------------------|
| Promotion of Board meetings |
|-----------------------------|



## Staff Report – Item 6

**TO:** Monterey Bay Community Power Policy Board of Directors

**FROM:** Tom Habashi, Chief Executive Officer

**SUBJECT:** CEO Authorization to Negotiate and Execute a Contract for Data Management and Call Center Services

**DATE:** October 11, 2017

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### Recommendation

Authorize MBCP’s Chief Executive Officer (“CEO”) to negotiate and execute an Agreement for Data Management and Customer Services (“Agreement”) with GridX, Inc. (“GridX”), subject to the following parameters: 1) the initial term of such Agreement will not exceed four (4) years in duration; 2) the total cost of service will not exceed \$1.00 per MBCP customer meter per month; and 3) specification of reasonable financial assurances to be posted by GridX for purposes of protecting MBCP from certain adverse impacts that may result from delayed or ineffective MBCP launch.

### Background

Two essential services required to operate a Community Choice Aggregation (“CCA”) program are: 1) the management of customer consumption and billing data (also referred to as, “data management services”); and 2) the operation of a CCA call center and management of related customer account data, including desired service elections, rate designations and issue tracking amongst other pertinent information (also referred to as, “customer service and call center operation”). Careful and efficient management of customer data promotes accurate customer billing and timely revenue receipt from PG&E. Furthermore, it is widely recognized that accurate billing and well-executed customer service are key contributors to overall customer satisfaction, so it is very important that MBCP effectively administer these activities to minimize opt-outs.

*Data Management:* Several steps are required to gather and organize the electricity consumption data that will be used when determining MBCP charges for retail electricity service. First, PG&E individually meters customer energy consumption, which is then conveyed to MBCP. Retail electricity rates are applied to such consumption metrics, establishing the generation charges for each MBCP customer. This information is transmitted back to PG&E, which adds these MBCP generation charges to its typical monthly bill – note that the PG&E bill will also reflect applicable charges for electric energy delivery and public programs, contributing

to the customer's total electricity charges that were incurred during the billing period. Following the receipt of customer payments, PG&E will deposit amounts related to MBCP generation charges into MBCP's designated bank account.

*Customer Service & Call Center Operation:* Customer service is a close companion to the data management function. Implementing customer service elections, including enrollment in voluntary energy programs, changing tariff designations or opting out, directly contributes to MBCP bill computation and must be closely coordinated to ensure that each customer's MBCP charges accurately reflect the service elections that they have made. Managing customer inquiries and updating service elections is particularly intensive during the notification and enrollment periods for each customer phase.

To fulfill these service needs, MBCP staff released a request for proposals for data management and customer services on August 23, 2017. The invitation to submit proposals was distributed to a broad list of qualified prospective candidates and was also made publicly available on the MBCP website. Proposals were due on September 11, 2017.

### **Analysis & Discussion**

MBCP received three proposals in response to its data management and customer services RFP. After reviewing these proposals and conducting in-person interviews with a team assembled by each respondent, staff identified GridX (which partnered with Concentrix, a leading provider of customer and call center services) as MBCP's preferred data management and customer services vendor. GridX's direct experience working with PG&E and the Sacramento Municipal Utility District were key factors in making this recommendation. In addition, a prospective relationship with GridX may provide for a range of complimentary services, including expanded compilation and analysis of PG&E customer data. This would improve MBCP's understanding of customer usage characteristics, leading to accurately forecast energy consumption and marketing energy-related programs, including energy efficiency and demand reduction. To formalize this relationship, MBCP will need to successfully negotiate a related services agreement prior to receiving support from GridX.

Related to this selection process, there were two other qualified firms, which timely submitted proposals to MBCP. The other respondents included Calpine Energy Services ("Calpine") and Executive Energy Management ("EEM"). Calpine is the current provider of data management and call center services for each of California's operating CCA programs. EEM is an aspiring service provider in the California CCA market, which demonstrated a range of experience with CCA programs outside of California.

### **Summary**

Effectively administering a relationship with GridX will require several months of preparation prior to MBCP customer service commencement, so it is imperative that MBCP commence contract negotiations as soon as possible. Consistent with the timeline reflected in MBCP's data management and customer services RFP, it is staff's intent to negotiate and execute this agreement no later than November 1, 2017. As such, staff recommends that your board authorize MBCP's CEO to negotiate and execute a contract for data management and call center services with GridX.

## WRITTEN CORRESPONDENCE LISTING

Monterey Bay Community Power

October 2017

| Date Received:  | From:  | Type/Subject:   |
|-----------------|--|---|
| October 2, 2017 | Rick Heuer – Pres. Monterey Peninsula Taxpayers Association                              | Letter (via email) asking for representation on any Oversight Board or Advisory Committee |
| October 3, 2017 | Niemela-Pappas & Assoc. Edelstein, Gilbert, Robson and Smith<br>(Via Gine Johnson email) | Report – CalCCA Year End Report   |