

1. CALL TO ORDER

The Joint Meeting of the Board of Directors and Technical Advisory Committee was called to order at 1:17 p.m. by Chair Todd Rigby on the Zoom platform.

2. PLEDGE OF ALLEGIANCE

Chair Rigby led members and guests in the Pledge of Allegiance.

3. ROLL CALL

Board of Directors present:

Todd Rigby, City of Eastvale (Chair)
Russ Brown, City of Hemet
Chris Barajas, City of Jurupa Valley
Ted Hoffman, City of Norco
Rita Rogers, City of Perris (2:51 p.m. departure)
Ben Benoit, City of Wildomar

Technical Advisory Committee Members present:

Bryan Jones, City of Eastvale
Mike Flad, City of Jurupa Valley
Andy Okoro, City of Norco
Clara Miramontes, City of Perris

4. PUBLIC COMMENTS

Jeremy Goldman of Southern California Edison (SCE) spoke on a payment agreement between WCE and SCE.

5. CONSENT CALENDAR – *(Jurupa Valley / Perris) 6 yes; 0 no; 0 abstention. Items 5.A through 5.F were approved. A representative from the City of Canyon Lake was not present.*

A. Summary Minutes from the January 13, 2021, Joint Meeting of the Board of Directors and Technical Advisory Committee are Available for Consideration.

Action: *I. Approved the Summary Minutes from the January 13, 2021, Joint Meeting of the Board of Directors and Technical Advisory Committee.*

B. Regulatory and Legislative Activities Update

Action: *I. Received and filed.*

C. Non-Residential Client Engagement and Outreach Update

Action: *I. Received and filed.*

D. Marketing and Outreach Activities Update

Action: *I. Received and filed.*

E. Financial Report Summary Update

Action: I. *Received and filed.*

F. Approval of the Revised 2021 Joint Meetings of the Board of Directors and Technical Advisory Committee Meeting Schedule

Actions: I. *Adopted Resolution No. 2021-02; A Resolution of the Board of Directors of Western Community Energy adopting its revised schedule of regular Joint Meetings of the Board of Directors and Technical Advisory Committee for calendar year 2021.*

6. REPORTS / DISCUSSION

A. COVID Relief and Utility Delinquency Update

Tyler Masters, Director of WCE, reported that the number of delinquencies presented in January have increased by approximately 900 to a total of approximately 8,300 delinquent residential accounts. Of these, only 1,400 customers are eligible for a one-time WCE \$25 bill credit, which was authorized by this Board at its meeting last month under WCE's Delinquency Policy.

If WCE were to provide a one-time bill credit relief to the remaining 6,900 customers, this would have a financial impact of approximately \$175,000. As a reminder, the one-time bill credit would only be applied once a customer begins to pay on their past due / current bill. If only a portion of all eligible customers take advantage of this, the financial impact will be less.

If a one-time bill credit will be approved for all 8,300 customers, staff will develop a customer list in order to track and monitor payments and apply a credit on the following month's bill.

Chair Rigby asked what the historical percentage is of customers who are delinquent that actually become current.

Andrew Ruiz, WRCOG Chief Financial Officer, responded that staff will look into it.

Action: I. *Directed staff to move forward with a one-time bill credit in the amount of \$25 to all delinquent WCE customers.*

(Jurupa Valley / Norco) 6 yes; 0 no; 0 abstention. Item 7.D was approved. A representative from the City of Canyon Lake was not present.

B. SCE Rate Change, WCE Revenue Impact, and WCE Rate Update

Tyler Masters, Director of WCE, reported that on January 11, 2021, Southern California Edison (SCE) filed its Advice Letter with the California Public Utilities Commission (CPUC) to update SCE's rates. The rates will go into effect on February 1, 2021, and will represent a 14% increase in delivery, an increase of 20% to Power Charge Indifference Adjustment (PCIA), and a temporary decrease of 1% to generation, which is only applied to SCE customers. The PCIA increase affects WCE customers only. Given the shortness of notice from SCE, WCE had a limited amount of time to fully assess the impact to WCE rates and to develop new rates. Staff will conduct a deeper rate analysis and return with this item in March 2021.

Mr. Masters shared the various effects of SCE's rate change to WCE's bottom line. Staff consulted with other CCAs; lessons learned, and best practices indicate that WCE should not chase the rates, WCE should focus on long-term cost competitiveness; and WCE should promote regional initiatives.

Gary Saleba of EES Consulting reported that a myriad of events has occurred over the last year which have had an impact on CCAs and the economy in general. COVID-19 became a world-wide pandemic, this subregion experienced a heat wave in August 2020, and as a result, Resource Adequacy (RA) Market prices increased and

product became unavailable, SCE provided inaccurate hourly usage data, there has not been any supportive legislation for CCAs, and the CPUC has not been very friendly. Lastly, investor-owned utilities (IOUs) have been increasing its PCIA and lowering its generation rates, which is adverse to CCAs.

2021 is projected to be bad for all CCAs and 2022 looks to be a little better. In the long run, PCIA rates will decrease over time, SCE generation rates are forecast to increase, and 85% of electric IOU customers are expected to be served by CCAs by the year 2025.

Most other CCAs are looking at increasing rates to maintain financial stability, borrowing additional working capital, temporarily suspending programs, and re-evaluating its power supply cost, as power supply is most often 90% - 95% of a CCAs budget.

- Actions:**
1. *Authorized staff to perform additional WCE rate cost and revenue analysis and bring rate options to the Board in March 2021.*
 2. *Authorized staff to work with CalCCA and support legislation and regulation that increases transparency into PCIA charges and the rate setting process.*

(Hemet / Jurupa Valley) 5 yes; 0 no; 0 abstention. Item 6.B was approved. A representative from the Cities of Canyon Lake and Perris were not present.

7. REPORT FROM THE EXECUTIVE DIRECTOR

Rick Bishop had no items to report on.

8. ITEMS FOR FUTURE AGENDAS

Director Chris Barajas would like a report on a new Joint Powers Authority, California Community Power.

9. GENERAL ANNOUNCEMENTS

Chair Rigby asked that the WCE Technical Advisory Committee be activated and begin meeting on its own.

10. CLOSED SESSION

Per legal counsel, based upon the public comment matter, the following item was added to Closed Session: Conference with legal counsel, exposure to litigation pursuant to Government Code Section 54956.9(d)(2).

(Perris / Jurupa Valley) 6 yes; 0 no; 0 abstention. The addition of exposure to litigation was approved. A representative from the City of Canyon Lake was not present.

During Closed Session the Board authorized legal counsel to appeal the Resource Adequacy penalties which have been levied on WCE.

(Hemet / Jurupa Valley) 6 yes; 0 no; 0 abstention. The authorization to appeal the Resource Adequacy penalties was approved. A representative from the City of Canyon Lake was not present.

11. NEXT MEETING: **The next meeting of the Board of Directors is scheduled for Wednesday, March 10, 2021, at 1:15 p.m., on the Zoom platform, and the next meeting of the Technical Advisory Committee is scheduled for Thursday, February 18, 2021, at 9:30 a.m., on the Zoom platform.**

12. ADJOURNMENT: **The Joint Meeting of the Board of Directors and Technical Advisory Committee adjourned at 3:01 p.m.**