

Board Policy Committee Meeting and Special SMUD Board of Directors Meeting

Date: Wednesday, November 18, 2020

Time: Scheduled to begin at 5:30 p.m.

Location: Virtual Meeting (online)

Powering forward. Together.



AGENDA

BOARD POLICY COMMITTEE MEETING AND SPECIAL SMUD BOARD OF DIRECTORS MEETING

Wednesday, November 18, 2020

Scheduled to begin at 5:30 p.m.

Zoom Webinar Link: [Join SMUD Policy Committee Here](#)

Webinar ID: 160 921 2754

Password: 369654

Phone Dial-in Number: 1-669-254-5252

In accordance with the Governor's Executive Order N-29-20 and the Emergency Board Meeting Procedures adopted by the SMUD Board of Directors, the regular Board meeting and other public meetings are closed to the public to align with state, local, and federal guidelines and social distancing recommendations for the containment of the coronavirus.

Live video streams and indexed archives of meetings are available at:

http://smud.granicus.com/ViewPublisher.php?view_id=16

Members of the public may register to provide verbal comments at an upcoming Board or Committee meeting by emailing a request to speak to PublicComment@smud.org. Please include the date of the meeting, name, and topic or agenda item the requestor wishes to speak on. The request may also be submitted while the meeting is in progress during the standard time for the agenda item or topic. **Pre-registration is strongly encouraged by no later than 3:00 p.m. on the day of the meeting.**

Members of the public may provide written public comments on a specific agenda item or on items not on the agenda (general public comment) by submitting comments via e-mail. Comments may be submitted to PublicComment@smud.org and will be placed into the record of the meeting.

Members of the public that are listening to or watching the live stream of a Committee meeting and wish to comment on a specific agenda item as it is being heard may submit their comments, limited to 250 words or less, to PublicComment@smud.org, noting the agenda item number in the subject line. The Committee Chair may read comments for items on the agenda into the record, in her discretion, based upon such factors as the length of the agenda or the number of e-mail comments received. General public comment for items not on the agenda will not be read into the record but will be provided to the Board and placed into the record of the Board meeting if it is received within two hours after the meeting ends.

This Committee meeting is noticed as a joint meeting with the Board of Directors for compliance with the Brown Act. In order to preserve the function of the Committee as advisory to the Board, members of the Board may attend and participate in the discussions, but no Board action will be taken. The Policy Committee will review, discuss and provide the Committee's recommendation on the following:

DISCUSSION ITEM

1. Jennifer Davidson
Eric Douglas
LEADING RESOURCES, INC.
 - a. Brief Board and review timeline for rate design recommendations for **Net Energy Metering (NEM) Successor Rate**.
 - b. Discuss, with possible amendment, **Strategic Direction SD-2, Competitive Rates** to address Distributed Energy Resources (DER) and customers as prosumers.
Presentation: 60 minutes
Discussion: 60 minutes

INFORMATIONAL ITEMS

2. Public Comment
3. Heidi Sanborn
Summary of Committee Direction.
Discussion: 1 minute

Pursuant to Resolution No. 20-06-08 adopted on June 18, 2020, Emergency Board Meeting Procedures are in effect:

Members of the public may make either a general public comment or comment on a specific agenda item by submitting comments via email. Comments may be submitted to PublicComment@smud.org. Comments will be provided to the Board and placed into the record of the Committee meeting if it is received within two hours after the meeting ends.

Members of the public that are listening or watching the live stream of a Board meeting and wish to comment on a specific agenda item as it is being heard, may submit their comments, limited to 250 words or less, to PublicComment@smud.org. The Board Chair may read the comments into the record, in her discretion, based upon such factors as the length of the agenda or the number of email comments received. Comments will be provided to the Board and placed into the record of the Committee meeting if it is received within two hours after the meeting ends.

Members of the public may register to provide verbal comments at an upcoming Board or Committee meeting by emailing a request to speak to PublicComment@smud.org. Please include the date of the meeting, name, and topic or agenda item the requestor wishes to speak on. The request may also be

*submitted while the meeting is in progress during the standard time for the agenda item or topic. **Pre-registration is strongly encouraged by no later than 3:00 p.m. on the day of the meeting.***

ADA Accessibility Procedures: Upon request, SMUD will generally provide appropriate aids and services leading to effective communication for qualified persons with disabilities so that they can participate equally in this virtual meeting. If you need a reasonable auxiliary aid or service for effective communication to participate, please email Toni.Stelling@smud.org, or contact by phone at (916) 732-7143, no later than 48 hours before this virtual meeting.

BOARD AGENDA ITEM

STAFFING SUMMARY SHEET

Committee Meeting & Date
Policy Committee –
11/18/20

Board Meeting Date
November 19, 2020

TO	TO
1. Lora Anguay	6.
2. Jennifer Davidson	7.
3. Brandy Bolden	8.
4.	9. Legal
5.	10. CEO & General Manager

Consent Calendar	X	Yes	No <i>If no, schedule a dry run presentation.</i>	Budgeted	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>
FROM (IPR) Laura Lewis	DEPARTMENT Office of the General Counsel			MAIL STOP B308	EXT. 6123	DATE SENT 11/06/20

NARRATIVE:

Requested Action:

- a. Brief Board and review timeline for rate design recommendations for Net Energy Metering (NEM) Successor Rate.
- b. Discuss, with possible amendment, **Strategic Direction SD-2, Competitive Rates** to address Distributed Energy Resources (DER) and customers as prosumers.

Summary: Staff will brief the Board and review the timeline for adoption of the NEM Successor Rate and will engage the Board to provide guidance on proposed modifications to SD-2, Competitive Rates to add language to recognize customers as prosumers and encourage the adoption of Distributed Energy Resources and electrification.

Board Policy: SD-2, Competitive Rates
(Number & Title)

Benefits: Informs the Board and public in a transparent manner about the timeline for adopting the NEM Successor Rate. The proposed changes to SD-2 recognize that current technology and customer options have greatly expanded since the adoption of the policy.

Cost/Budgeted: N/A

Alternatives: Retain the existing language in SD-2 or make alternative revisions

Affected Parties: SMUD Customers, Board of Directors, All SMUD Departments

Coordination: Finance and Enterprise Planning and SMUD

Presenter: Jennifer Davidson, Chief Financial Officer
Eric Douglas, Board Consultant

Additional Links:

SUBJECT	Update on Successor Net Energy Metering Rate and Proposed Changes to Strategic Direction SD-2, Competitive Rates	ITEM NO. <i>(FOR LEGAL USE ONLY)</i>
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ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.

<u>SMUD BOARD POLICY</u>	
Category: Strategic Direction	Title: Competitive Rates
	Policy Number: SD-2
Date of Adoption: May 1, 2003	Resolution No. 03-05-08
Revision Date: October 16, 2003	Resolution No. 03-10-14
Revision Date: February 21, 2008	Resolution No. 08-02-06
Revision Date: October 16, 2008	Resolution No. 08-10-09
Revision Date: January 21, 2010	Resolution No. 10-01-09
<u>Revision Date: November 19, 2020</u>	<u>Resolution No. 20-11-</u>

Maintaining competitive rates is a core value of ~~the District~~SMUD.

Therefore:

- a) The Board establishes a rate target of 18 percent below Pacific Gas & Electric Company's (PG&E) published rates on a system average basis. In addition, the Board establishes a rate target of at least 10 percent below PG&E's published rates for each customer class.
- b) SMUD's rate of change for both rates and bills shall be competitive with other local utilities on a system average basis.
- c) In addition, SMUD's rates shall be designed to balance and achieve the following goals:
 - i) Reflect the cost of energy when it is used or exported;
 - ii) Reduce use on peak;
 - iii) Encourage cost effective Distributed Energy Resources (DER) adoption while continuing to encourage energy efficiency, ~~and~~ conservation, carbon reduction and electrification;

- iv) Minimize “sticker” shock in the transition from one rate design to another;
- v) Offer flexibility and options;
- vi) Be simple and easy to understand;
- vii) Meet the needs of people with fixed low incomes and severe medical conditions; and
- viii) Equitably allocate costs across and within customer classes.

Monitoring Method: GM Report
Frequency: Annual

SSS No.
BOD 2020-002

BOARD AGENDA ITEM STAFFING SUMMARY SHEET

Committee Meeting & Date
POLICY 2020
Board Meeting Date
N/A

TO				TO					
1.	Lora Anguay	6.		2.	Jennifer Davidson	7.			
3.	Brandy Bolden	8.		4.		9.	Legal		
5.		10.		CEO & General Manager					
Consent Calendar	Yes	x	No <i>If no, schedule a dry run presentation.</i>	Budgeted	Yes	No <i>(If no, explain in Cost/Budgeted section.)</i>			
FROM (IPR)				DEPARTMENT			MAIL STOP	EXT.	DATE SENT
Heidi Sanborn / Donna Lofton				Board Office			B307	5079	12/23/19

NARRATIVE:

Requested Action: Provide a summary of committee direction from the Board to Staff.

Summary: During a Board discussion at the January 2017 Policy Committee, the Board requested having an on-going opportunity to do a wrap up period at the end of each committee meeting to summarize various Board member suggestions and requests that were made at the meeting in an effort to make clear the will of the Board. Policy Committee Chair, Heidi Sanborn, will summarize Board member requests that come out of the committee presentations for this meeting.

Board Policy: GP-4 Agenda Planning states the Board will focus on the results the Board wants the organization to achieve.
(Number & Title)

Benefits: Having an agendized opportunity to summarize the Board's requests and suggestions that arise during the committee meeting will help clarify what the will of the Board.

Cost/Budgeted: N/A

Alternatives: Not summarize the Board's requests at this meeting.

Affected Parties: Board of Directors and Executive Staff

Coordination: Donna Lofton, Special Assistant to the Board

Presenter: Heidi Sanborn, Policy Committee Chair

Additional Links:

ITEMS SUBMITTED AFTER DEADLINE WILL BE POSTPONED UNTIL NEXT MEETING.