

# Community Renewable Energy Agency Board Meeting Minutes

The Community Renewable Energy Agency Board met in a regular public meeting on **Monday, November 7, 2022**, at Millcreek City Hall, located at 3330 S. 1300 E., Millcreek, UT 84106 and participated electronically via GoToMeeting.

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## **PRESENT:**

### **Board Members**

#### ***In person***

Dan Dugan, Chair, *Salt Lake City*  
Glenn Wright, *Summit County*  
Drew Quinn, *Holladay City*  
Samantha DeSeelhorst, *Cottonwood Heights*  
Jeff Silvestrini, *Millcreek*  
Emily Quinton, *Summit County*

#### ***Electronic***

Christopher Thomas, *Salt Lake City*  
Randy Aton, *Springdale*  
Roger Bourke, *Alta*  
Suzanne Elger, *Springdale*  
Holly Smith, *Holladay City*  
Sarah Stock, *Grand County*  
Joe Frazier, *Oakley City*  
Pamela Gibson, *Castle Valley*  
Chris Cawley, *Alta*  
Luke Cartin, *Park City*  
Kalen Jones, *Moab*  
Angela Choberka, *Ogden*  
Jeremy Rubell, *Park City*  
Alexi Lamm, *Moab*  
Patrick Schaeffer, *Kearns*  
David Brems, *Emigration Canyon Township*

**In Person Attendees:** Kurt Hansen, *Millcreek*; Alex Wendt, *Millcreek*; Ian Harris, *Cottonwood Heights*; Chip Spencer, *Millcreek resident*

**Electronic Attendees:** Jeremy Shinoda, *Ogden resident*; Lisa Yoder, *working with Park City and Summit County*; Sam Owen, *Salt Lake City Staff*; Artie Powell, *Division of Public Utilities*; Monica O'Malley, *Salt Lake City staff*; Zack Darby, *Summit County staff*; Janene Eller-Smith, *Ogden Staff*; Sarah Montoya, *Salt Lake City staff*; Mike Johnson

Minutes by Alex Wendt, Millcreek Deputy Recorder.

**REGULAR MEETING – 1:00 p.m.**

**TIME COMMENCED: 1:00 p.m.**

**1. Welcome, Introduction, and Preliminary Matters**

**1.1 Purpose and Overview of Meeting**

**1.2 Current Participation Percentages included in Board Packet**

**1.3 Reminder that January Board Meeting will be held on January 9, 2023.**

**2. Business Matters**

**2.1 Approval of October 3, 2022, Board Meeting Minutes**

**Board Member Wright moved to approve the October 3, 2022, Board Meeting Minutes. Board Member Quinn seconded. Chair Dugan called for the vote. All Board Members voted yes. The motion passed unanimously.**

**2.2 Treasurer Report (Year-to-Date Contributions and Expenses)**

Chair Dugan said that Board Member Silvestrini could not make it to the meeting.

**2.3 Reports From Committees (Program Design, Low-Income Plan, Communications)**

Board Member Thomas gave the update from the Program Design Committee. The committee met five times in October and had one meeting with Rocky Mountain Power to discuss the resource solicitation process. They proposed having more frequent, small group meetings involving technical and legal team members to try and reach agreement on two specific topics: resource valuation and financial backstop. Their next step is to hold a meeting with RMP, the Division of Public Utilities and the Office of Consumer Services on November 8<sup>th</sup>. They want to discuss the approach to financial backstop, periodic rate adjustments, approaches to low-income assistance. They also plan to ask The Division of Public Utilities (DPU) and The Office of Consumer Services (OCS) have hired consultants paid for by the Agency, not to exceed \$200,000. They had hoped to bring many program application items to the Board for a vote in December but now they will not be able to. The Program Design Committee is drafting proposals that address required items for the Program Application. The name and boundary map for each eligible community has been drafted and RMP is reviewing the draft. The Utility Agreement has also been drafted and an initial draft is shared with RMP. Plans for Low Income Assistance will be heard by the Board soon. Hopefully the Board will vote on this in December.

The Agency's approved budget is \$700,000. This budget was designed to accommodate the maximum expected costs associated with three types of expenses. These are the Agency's outside counsel and energy analytical consultant, consultants hired by state regulators that communities are required to pay for, and the Rocky Mountain Power program application development and filing costs. They recently discovered and confirmed from RMP that costs associated with the RMP application are program expenses to be recovered through participating customer bills. Therefore, with Board approval, funds could be available for other types of expenses without exceeding the \$700,000 approved budget. Will any unspent funds be returned to participating communities? In general, the governance agreement does not allow refunds. Parties acknowledge and agree that any amount previously paid or committed to by any party

will not be refunded in whole or in part. However, refunds will be made if the governance agreement is terminated. If there are any unspent funds, the Board decides how to spend them in connection with the Program. One required element of the Program Application is maps depicting the geographic boundaries of each eligible community. Please review your community map and let Monica O'Malley, Salt Lake City Staff, know whether you have any concerns or feedback about your boundary map.

The Low-Income Plan Committee have created programmatic approaches to Low-Income Assistance. There are 3 options that have high, medium, and low impacts to customer bills. The high impact case assumes that the number of assisted customers doubles, and if 80% of those people take part in the program, and if 50% lower than expected customers are assisting then the increase in bill charges will be 57 cents to assisting customers. In the low impact case, the low-income program cost would be \$3 and the bill charge to assisting customers would go down to 2 cents.

What is the goal of the Program? The goals include acquiring renewable energy to match 100% of annual consumption by 2030. This is also called net 100% renewable electricity. Using renewable energy reduces air pollution from coal and gas plants. Should renewable energy serving all RMP customers count toward the goal? Pros include we are already paying for it, this lowers the cost program, avoids trying to replace their renewables with our renewables. Considerations include they must meet renewable definition. Must currently serve the RMP system. Must be legally documented via bundled Renewable Energy Certificates. They can count does not mean they must count. What share of Rocky Mountain Power generation can we expect to come from renewables in 2030? They expect 58% of power generation to come from renewable energy. How big do we expect the Program to be? In 2021 the 18 eligible communities consumed 6.3 million mw-hours of electricity. We expect 80% of the residential load, 30% of the commercial load, and 5% of the industrial load to participate. Under these assumptions, the 2021 target would be 2.54 million mw-hours per year. Electrification and energy efficiency could change the Program Size in the year 2030. Trends like electric vehicle adoptions, heating electrification, and population growth increase consumption. Increased appliance efficiency and better building codes decrease consumption. How much renewable energy would the Program seek to acquire based on the 2021 load? They would need to bring online 1.07 million megawatt hours' worth of new program renewables. This is equivalent to 200 mw solar and 166 mw of wind sources. New Program renewable resources could be in Oregon, Wyoming, Utah, and Idaho. Energy that goes to Utah customers comes from all over the West. Renewable energy benefits RMP grid by reducing fuel costs. Using renewable energy avoids running coal and gas plants. Running coal and gas plants less saves fuel. Renewable energy growth and milder winters tends to decrease natural gas prices. Natural gas exports and colder winters tend to increase natural gas price. Over the last ten years the price of natural gas fluctuated a great deal. Should the value assigned to program resources fluctuate up and down based on market prices? If yes, this would tie Program resource value to actual market prices than forward price forecasts. This would require creating an ongoing Program Resource valuation method. It could reduce Program premiums in years when fuel and power prices rise higher than expected. This would contribute to fluctuations in Program billing from year to year. If no, this would set Program resource value according to forward price forecasts (not actual prices). This

valuation approach could approximate the one PacifiCorp already uses to select resources. Actual market prices could be higher or lower than the forecast. It would likely guarantee at least a small enduring cost increase to participate in the Program. It will support a more consistent cost to participate in the Program. How much do we expect it to cost to participate in the Program? For the average residential customer, not more than \$7 per month averaged over the year. If reached, supermajority votes are required to obtain new renewable resources. The amount per month could be lower. It could be \$2-\$5 a month depending on the creation of more renewable energy sources. If renewable energy costs less than coal and gas why would the Program cost more? Program customers required to pay their share of ongoing costs of the rest of the RMP electricity system. Renewable projects that show overall savings are built to serve all customers, not just program customers. As wind and solar increase in the system, each additional project has less value. Can the Program avoid paying for Rocky Mountain Power's coal and gas generation? No, existing coal and gas plant costs are compulsory to the Program per state law. The Program can pay for them faster but cannot avoid them altogether. Should the Program designate "replaced" coal and gas plants to pay off faster than other Utah customers? Pros to yes include this would allow participants to pay their way out of coal and gas plants sooner. Cons include it would increase Program rates in the short-term. It is unclear whether paying faster leads to faster coal/gas retirement off system. Pros to no include it would keep program rates lower in the short-term. It is unclear whether paying faster leads to faster plant retirement. Cons are the Program continues to pay for coal and gas plant costs fast or slow, is not consistent with Program energy goals. How will a program that is optional guarantee resource repayment over 15-25 years? Low costs encourage high participation. Build gradually toward the goal to avoid overshooting. Moderate exit fee to encourage stable participation. Backstop funding, customer prepayments, loan guarantee, and guarantee pool. And finally, insurance product.

Board Member Cawley gave the Communication Committee Update. They had meetings on October 4<sup>th</sup> and October 17<sup>th</sup>. Alexi Lamm, Moab City Director of Sustainability joined their group. The Communication Committee is working on a budget for hiring a consultant. They are still working to understand the range of probable costs to complete the desired scope of work. They are working with Millcreek to develop and publish an RFP. The Board will need to approve a contract. They hope to publish the RFP in November, collect responses in December and start contracting in January. They are seeking Board approval for committee to solicit consultants via Resolution 22-10. The Communication Committee has tasks scheduled according to projected program milestones. They plan to have a state-wide press release issued in the first quarter of 2023. During the ordinance adoption phase, they would like to launch social media, and monthly newsletters, as well as developing additional low-income assistance assets. The Communication Committee requests that the Board approve Resolution 22-10. This resolution would update the committee purpose to include authorizing the committee to solicit contractors and consultants. The resolution as drafted defines potential budget as to not exceed approved agency budgets. If Resolution 22-10 passes, the committee will proceed to publish the RFP via Millcreek Staff, interview respondents, negotiate a scope and fee, and request board approval of a contract. Board Member Bourke asked if the OCS and DPU are being kept in the loop

with Board activities. Chair Dugan said yes, they are, and the Board is meeting with them regularly.

Board Member DeSeelhorst gave the report for the Low-Income Plan Committee. The Board has a statutory requirement to make a low-income plan. To support communities regarding this requirement the Low-Income Plan Committee was formed. They created a low-income plan template with programmatic strategies, outreach strategies, and elective strategies. Programmatic strategies are low-income engagement techniques that apply to all communities. Outreach strategies focus on providing enhanced communication about Program details to low-income electricity customers. This communication will be facilitated by providing information on the Program to local organizations who serve households that may be disproportionately affected by changes to their electric bill. Elective strategies are any additional, miscellaneous strategies to low-income engagement that a community may or may not decide to deploy locally. Communities are not required to commit to elective strategies.

The Low-Income Plan Committee has reached full consensus on recommending the following three strategies. Termination fee waiver for participating customers who are enrolled in schedule 3, the termination fee for exiting the program if any will be waived. Enhanced monthly bill credit, for participating customers who are enrolled in schedule 3 an additional monthly bill credit will be applied in an amount proportional to the average customer rate impact, not to exceed \$3.00. \$3 is being used as a placeholder amount. Finally, a Program Donation Facilitation, to facilitate elective donations by participating customers toward the monthly bill credit. The Committee did not reach full consensus on the automatic opt-out approach. Residential customers who are either enrolled in schedule 3 or 60 days in arrears any time before the 60 days leading up to the program implementation date will not be enrolled in the program and will be provided with two mailed opt-in notices. Board Member Quinn asked if the Board is voting to approve all the strategies or one strategy over another? Board member DeSeelhorst said she envisioned voting on each strategy individually. Board member Quinn asked if RMP will support all 3. Board Member DeSeelhorst said RMP knows of the three options and have not indicated that they would not support them. Board Member Bourke said it seems like the Communication Committee has some overlap with the Low-Income Plan Committee. Board Member DeSeelhorst said there is natural overlap there. Board Member Bourke asked if the opt-in option is offered to low-income communities how many people would opt in. Board member DeSeelhorst said they expect 20% to opt-in. Board member Bourke said that you would essentially be asking people if they want their utility bill to go up. Board member DeSeelhorst said the point of this is to protect customers who may be already struggling and still give them the option to opt-in if they wish. These are not binary questions where there is an easy answer. They do not wish any customers to feel stigmatized and still protect households where they may be impacted by increased costs. Lisa Yoder said one thing to keep in mind renewable energy should be equitable to everyone. Chair Dugan asked that the Board do their homework and ask good questions.

#### **2.4 Public Comments**

Chip Spencer, Millcreek Resident – How does a person opt out of a program that ends

certain types of energy production? Nuclear energy is one of the best forms of energy. Where will the space for all the solar farms come from? Will the program be able to guarantee the levels of service that already exist. As a citizen of Millcreek, it is not acceptable to me to be put in a brown-out. This is ill-advised in this current state.

**2.5 Discussion and Consideration of Resolution 22-010; Resolution of the Board Authorizing Communications Committee to Conduct Communications Consultant Solicitation**

**Board Member Wright moved to approve Resolution 22-10; Resolution of the Board Authorizing the Communications Committee to Conduct Communications Consultant Solicitation. Board Member DeSeelhorst seconded. Chair Dugan called for the vote. All Board Members voted yes. The motion passed unanimously.**


**2.6 Board Member Comments**

Board Member Quinton said that if Board Member turnover happens due to the elections this fall, please submit a board appointment letter to Board Member Quinton. Board Member Bourke said that Board Member Thomas's presentation was very well done and very clear.

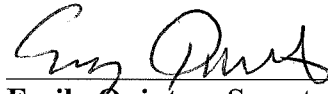
**2.7 Closed Session (If Needed): The Board may convene in a closed session to discuss items as provided by Utah Code Ann. 52-4-205.**

**3. Adjournment**

Board Member Quinn moved to adjourn the meeting at 2:56 p.m. Board Member Wright seconded. Chair Dugan called for the vote. All Board Members voted yes. The motion passed unanimously.

APPROVED:  Date 5 DEC 2022  
Dan Dugan, Chair

ATTEST:

  
Emily Quinton, Secretary