



Staff Report Item 4

TO: East Bay Community Energy Board of Directors Executive Committee

FROM: Leah S. Goldberg, General Counsel

SUBJECT: **EBCE Administrative Policies**

DATE: July 20, 2018

Recommendation

Discuss proposed EBCE policies and provide guidance to staff on policies to take to the full Board of Directors in September.

Background and Discussion

Operating any business or public agency requires operational procedures and policies. And the law requires public agencies, in particular, to promulgate various policies such as a conflict of interest policy and a policy for reimbursing Directors for out of pocket expenses and travel. During the summer Board recess, EBCE staff intends to take the time to review existing policies, propose updates and draft policies that are necessary for efficient operations.

Although the review, updating and drafting process will commence in earnest after this Executive Committee meeting, there are few policies that will be brought forward for discussion in September. Consistent with the delegation of authority from the Board of Directors, EBCE staff requests the executive committee's input on the following proposed policies:

1. Regulatory Compliance Policy

As a load serving entity, EBCE must comply with various reporting obligations from the CPUC, the CEC and other regulatory agencies. EBCE intends to hire a Compliance Manager, and this manager will need delegated authority to file regulatory compliance documents consistent with parameters set out in a regulatory compliance policy. In other words, the intent of the policy will

be to allow the Compliance Manager to file compliance documents without gaining board approval for each of these documents prior to filing.

Issues for the executive committee to discuss: Are there specific types of documents that the board will want to see? For example, at the board meeting on July 18, 2018, staff requested authority to revise, update and submit the Integrated Resources Plan to the CPUC by the deadline. On the other hand, staff has been routinely complying with the CPUC's monthly resource adequacy filings without obtaining board approval.

Will the Board want updates on compliance filings, and if so, how often?

2. Modification of Terms and Conditions

Legally, EBCE must have a set of terms and conditions available for its customers. The Board has approved each and every version of the terms and conditions, even when there were only minor changes. At this point, the primary terms and conditions have been drafted and approved. As the program is refined, and we offer additional product offerings, the terms and conditions need to be tweaked to reflect those changes. It would be more efficient for EBCE staff to have the authority to modify the terms and conditions to reflect Board approved changes in the program without having to bring the actual language back to the Board for approval.

Issues for the executive committee to discuss: Does the board feel the need to actually lay eyes on each and every change to the terms and conditions? At what point and for what kinds of changes will the board want to review and approve modifications to the terms and conditions?

3. Minor Correction of Documents

Periodically, the Board has been asked to reconsider documents because of minor mistakes in the documents. Most cities have delegated authority to their staff to make de minimis/minor correction to documents and EBCE staff needs that authority as well to avoid cluttering Board agendas with corrections that are merely ministerial. For example, the board was asked to review rate sheets for phase I customers on two occasions. The second occasion was merely to correct the numbers on one rate sheet that had little impact on the ratepayer's bill. This was a change that should not have taken additional Board attention.

Issues for the executive committee to discuss: Are there specific parameters that the executive committee would like to see in such a policy?

4. Conflict of Interest Policy Update

EBCE has two conflict of interest policies. One obligates EBCE Board Members and staff to file Statements of Economic Interest and the other is for CAC members to file statements of economic interest. Conflict of interest policies must be updated periodically to reflect the growth

in the organization. EBCE's conflict of interest policy has not been amended in the past six months. Since then, EBCE has added staff and will be growing over the next few months. It is important to update the conflict of interest policy to include all directors, senior directors and vice president level staff.

Issues for the executive committee to discuss: Does executive committee have any concerns or comments about adding these positions onto the conflict of interest policy as employees that must file statements of economic interest?

5. Rate Setting Policy

EBCE has a rate setting policy that should be updated to include lessons learned during the initial rate setting for phases one and two. There has been discussion of providing a draft rate setting policy and asking the Community Advisory Committee to comment on and refine the draft policy.

Issues for the executive committee to discuss: Is this process one that the executive committee would like to see vis-a-vie updating the rate setting policy? Or would the executive committee preferred that staff propose a rate setting policy and bring it directly to the executive committee to refine? Are there any specific requirements or provisions relating to rate setting that the executive committee at this point would like to see in a draft policy?

Fiscal Impact

These operational policies and procedures should not add any additional costs or have any fiscal impact.

CEQA

These operational policies and procedures are not projects as defined by CEQA.