



**MEETING MINUTES
BOARD OF DIRECTORS MEETING
THURSDAY, APRIL 4, 2019**

50 Santa Rosa Avenue, Fifth Floor, Santa Rosa, California

I. CALL TO ORDER

Chair Landman called the meeting to order at 8:47 a.m.

Present: Chair Landman, Vice Chair Slayter, and Directors Babgy, Belforte, Fudge, Gjerde, Hopkins, King, and Tibbetts

Staff present: Geof Syphers, CEO; Stephanie Reynolds, Director of Internal Operations; and Jessica Mullan, General Counsel

II. BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve March 7, 2019 minutes of the SCPA Board of Directors meeting

Motion to approve March 7, 2019 minutes of the SCPA Board of Directors meeting by Director Belforte

Second: Director Bagby

Motion passed: 6-0-3

Alternate Director Madge Strong arrived at approximately 8:51 a.m.

III. BOARD OF DIRECTORS REGULAR CALENDAR

2. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate

Director of Internal Operations Stephanie Reynolds introduced the item by noting SCP's newly hired Risk and Regulatory Compliance Officer, Carole Hakstian, and speaking on her regulatory background. CEO Geof Syphers updated the Board on CalCCA's new website and campaign that has been launched to promote community choice power services.

Director of Public Relations & Marketing Kate Kelly discussed outreach efforts in the County of Mendocino, including attending a recent meeting of the Mendocino Latinx Alliance, staff presenting at an energy forum in Willits, and sponsorship of the upcoming Ukiah Earth Day event. Director

Kelly then detailed SCP winning the North Bay Biz's Gold Award for "Best Company to do Business with in Sonoma County," and Senior Programs Manager Rachel Kuykendall receiving the North Bay Business Journal's "40 Under 40" award.

Director Reynolds provided an update on the DIY Energy Efficiency Toolkits, which are available at local libraries and have been checked out over 300 times, and following that, a summary of SCP's monthly financial statements.

Director King suggested that staff work with participating jurisdictions for financing mechanisms and programs that could assist with the installation of solar photovoltaic arrays on municipal owned land. CEO Syphers noted interest from the cities of Rohnert Park and Cotati in this area, as well as his preference for incorporating storage options such as batteries with these types of projects.

Public comment: None

3. Receive Legislative and Regulatory Updates, Provide Direction as Appropriate, and Approve Legislative Positions

SCP Lobbyist Katherine Brandenburg provided a legislative report by noting the large number of bills that are being monitored and amended. She then recapped CalCCA's recent lobby day at the Capitol, including meetings with the Governor's office, elected officials, and members of their staff.

CEO Syphers recounted his meeting with the Governor's team regarding wildfire mitigation, cost allocation and PG&E restructuring. He then noted two bills which SCP has taken positions on: AB 56 by Garcia (oppose) and SB 255 by Bradford (support).

Director Harrington arrived at approximately 9:21 a.m.

Director Hopkins asked if SCP is monitoring SB 54 [*note: actual bill is SB 45*], which is an initiative that would provide funding for wildfire risk reduction, and whether SCP could take a position of support. CEO Syphers stated this bill is not currently on the organization's watch list but could be added.

CEO Syphers then outlined the following bills which he is seeking Board approval for taking legislative positions on: SB 520 by Hertzberg, AB 1326 by O'Donnell, and AB 684 by Levine; Chair Landman noted the Board's support for taking the positions as requested by staff.

Director King noted that AB 684 does not stipulate the size of multifamily housing projects and he would prefer that staff work towards defining

multifamily housing with the smallest pragmatic number. Directors Bagby and Hopkins both asked that staff work to ensure a threshold for smaller units is included in the bill. Director Strong expressed support, with a balance for ensuring that small units aren't disproportionately burdened under the bill.

Public comment: None

4. Update on Default Time-of-Use Pilot and Full Default Time-of-Use Transition

Director of Customer Service Erica Torgerson provided an update on the Time-of-Use ("TOU") pilot project by detailing the background of the CPUC decision to transition customers to TOU, proposed bill protections for customers shifting to TOU, and reasoning for implementing TOU during peak periods.

Director King asked about customer loss, and if there was any way to determine if these customers would be leaving SCP anyways; Director Torgerson stated that the opt-out numbers would be compared with SCP's traditional opt-out rate for further analysis. Director Torgerson stated any financial costs associated with bill protection would be brought back to the Board once the costs are clear.

Public comment: None

5. Review and Provide Direction on the Annual Budget and Rates for Fiscal Year 2019/2020, Including a Possible Exemption from Financial Reserves Policy

CEO Syphers started by recounting the Board's prior decision to authorize a conditional rate change, which ultimately wasn't implemented due to the CPUC not updating the PCIA fee on January 1, 2019. He then detailed a proposed schedule for adopting a budget, and if needed, rate adjustments following the budget approval.

Community Advisory Committee Chair Dick Dowd was invited to speak on the topic and noted the Committee's support and deliberations for the proposed budget, his preference for stable customer rates that provide savings over PG&E, continuing with the building of SCP's new headquarters, and the thoroughness of CEO Syphers' presentation.

Director Belforte asked about the Reserve Policy and what percentage of the targets are currently in the Operating Reserves, Program Reserves, and Credit Reserves categories; CEO Syphers stated that SCP's reserve fund is still well below the long-term target balance.

Director Belforte left at approximately 10:29 a.m.

Director Tibbetts asked if SCP is forecasting power needs based off planned PG&E outages or other de-energization events. CEO Syphers confirmed this is the case. Director Tibbetts asked if SCP is considering growth to other jurisdictions in order to remain competitive with PG&E's rates; CEO Syphers noted benefits and disadvantages of expanding territory. CEO Syphers stated that separate from rate savings, SCP has significant value to customers through customer programs, electric vehicle incentives, working with local agencies on energy and climate issues, and classroom trainings for area youth.

Vice Chair Slayter asked about the Advanced Energy Center as a capital project, and what happens to the State of California Energy Commission Lead Locally grant should SCP not proceed; Director of Programs Cordel Stillman detailed how SCP would be liable for any costs incurred by the State should SCP not move forward with the project.

Director Tibbetts noted his support for maintaining rates at a parity level, a strong renewable energy mix, continued contributions to reserves, evaluating service area growth opportunities.

Public comment: Ben Peters, Petaluma resident, spoke about financing options, strategies for investment, rate-setting, and microgrid projects.

Ken Wells, CAC member, spoke in support of a 0.5% bill savings scenario with a \$1 million contribution to Operating Reserves, and a \$3.3 million reduction in Program Reserves.

Director Gjerde voiced support for higher savings for commercial customers (at the expense of residential saving) and a \$1 million contribution to Operating Reserves; CEO Syphers recommended that before the Board adopt differential savings for residential and commercial customers, that they review regulatory and legal basis for doing so.

Director King noted his support for delaying contributions to Operating Reserves under an exemption from Financial Policy B2, maintaining some level of customer bill savings relative to PG&E, and the ability of the Board to adopt a mid-year budget adjustment, if necessary.

CEO Syphers recapped CAC Member Wells' proposed budget scenario, and stated it should be considered as an option.

Director Hopkins noted her support for staff's recommendation and up to 0.5% savings, continuing contributions to Operating Reserves, as well as the proposed scenario brought forward by CAC Member Wells.

Director Gjerde left at approximately 11:13 a.m.

Vice Chair Slayter supported some level of rate savings, reducing Program Reserves to ensure contributions to Operating Reserves, and moving forward with the capital projects.

Director Harrington noted her support for the modified proposal brought forward by CAC Member Wells, and an increase of rates up to 0.5% higher than PG&E. Chair Landman recounted MCE's short-term rate increase and how that had limited impacts on customers opting out of their service.

Director Tibbetts offered support for CAC Member Wells proposal and the equal cost scenario brought forward by staff, and questioned any adverse impacts to credit due to a suspension in contributions in Operating Reserves; CEO Syphers stated no downward impacts on SCP's credit are likely due to slowing the rate of contributions into reserve funds.

Director Strong stated the importance of some level of savings over PG&E such as 0.5% to 1%, continued contributions to Operating Reserves, and completing the capital projects that are currently underway.

Director Tibbetts left at approximately 11:21 a.m.

Director Bagby voiced support for a 0.5% savings over PG&E, suspension of Financial Policy B2 for a limited period, and using Program Reserves for the building headquarters.

Director Fudge supported the modified proposal brought forward by CAC Member Wells, the 0.5% savings scenario, ongoing contributions to Operating Reserves, and maintaining Program Reserves given the visibility and effectiveness of the various programs.

Chair Landman expressed his support for maintaining savings over PG&E at the 1% level, as this proposal does not impact existing programs and can be recouped in a relatively short period.

Director Hopkins left at approximately 11:31 a.m.

6. Authorize the CEO to Negotiate and Execute Agreement with NRTC to Provide Smart Thermostats for the GridSavvy Community

Senior Programs Manager Rachel Kuykendall introduced the item by detailing the agreement with NRTC, which has a not-to-exceed amount for \$189,500, and would provide a \$50 discount for SCP customers on the purchase of a Nest thermostat. She noted the CAC's unanimous recommendations and discussion on this item, including that a significant amount of the contract value is pass-through funding, only paying discounts for thermostats purchased, so the actual budget is much lower.

She also discussed efforts to bring other smart thermostat manufacturers into the program.

Chair Landman agreed with the CAC's interest in expanding to multiple thermostat vendors and asked about protecting customer information under this agreement. Senior Programs Manager Kuykendall detailed customer data protection measures.

Public comment: Ben Peters, Petaluma resident, spoke about the Home Connect program.

Motion to authorize the CEO to negotiate and execute agreement with NRTC to provide smart thermostats for the GridSavvy community by Director Harrington

Second: Director Fudge

Motion passed: 6-0-0

IV. BOARD MEMBER ANNOUNCEMENTS

Vice Chair Slayter announced dates for the Apple Blossom Festival, Director King noted the upcoming Butter and Eggs Day parade in Petaluma, and Director Strong thanked staff for presenting at the recent Willits Energy Forum.

V. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

None

VI. ADJOURN

Chair Landman adjourned the meeting at approximately 11:40 a.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Beau Anderson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Beau Anderson
Clerk of the Board