



MEETING MINUTES
COMMUNITY ADVISORY COMMITTEE (CAC) MEETING
MAY 21, 2019

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

I. CALL TO ORDER

Chair Dowd called the meeting to order at 1:00 PM.

Committee Members Present: Chair Dowd, and Committee Members Fenichel, Quinlan, Chaban, Sizemore, Wells, Mattinson, Brophy, Nicholls and Como.

Staff Present: Geof Syphers, Chief Executive Officer; Stephanie Reynolds, Director of Internal Operations; Jessica Mullan, General Counsel; Mike Koszalka, Chief Operating Officer.

CEO Syphers introduced and welcomed Mike Koszalka, new Chief Operating Officer for Sonoma Clean Power (SCP).

CEO Syphers announced SCP celebrated 5 years of service to customers on May 1st.

II. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

None

III. COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

1. Approve March 25, 2019 CAC Meeting Minutes
2. Recommend Board Authorization and Delegation for the CEO to Negotiate and Execute Agreement with Cadmus Group, LLC to Conduct an All-Electric, Zero-Emission Bus Planning Engineering and Study
3. Recommend Board Authorization and Delegation for the CEO to Negotiate and Execute Agreement with Electric MotorWerks for Extension of the GridSavvy Residential EV Charger Program

Public Comment: None

Motion to approve the CAC Consent Calendar by CM Brophy

Second: CM Sizemore

CM Quinlan abstained from voting on the minutes, as he was not present at the meeting.

Motion Passed: 9-0-1

IV. COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

4. Receive Operations Report and Provide Input as Appropriate

Director of Internal Operations Stephanie Reynolds spoke about the CalCCA Environmental Justice and Equity working group, which meets monthly. SCP staff member Dora Barrera has been participating in the group and also presented on multi-cultural outreach and engagement to them. Director Reynolds provided an update on flood relief donations. Originally SCP was intending to partner with another Bay Area agency on a project to replace appliances, which was not as effective as hoped. Instead, SCP Director of Public Relations Kate Kelly, CEO Syphers, the Vice Chair and Chair of the SCP Board, and Director Lynda Hopkins met and determined the best way to divide a \$50,000 donation from SCP. It was disbursed between West County Community Services, West County Health Services and a 501(c)3 established to support small businesses affected by the floods.

She also updated the Committee on the Headquarters building. The architect has submitted planning documents to the City of Santa Rosa. An initial RFQ for building contractors has been released, as SCP is required to pre-qualify any bidders on the project.

Senior Programs Manager Rachel Kuykendall announced SCP was one of the recipients of an award from ABAG/MTC for overall climate impact for the Advanced Energy Rebuild Program as a response to the wildfires

Director Reynolds stated the Board had asked staff to research possibilities for a program to assist municipalities and public agencies install solar on publicly-owned buildings. Staff continues research in this area and hopes to include battery storage as part of the plan.

The Lead Locally grant work continues, and is currently monitoring 15 homes to get a baseline reading on usage to assist in the overall study. Outreach for homes to participate in Phase 2 of the research will start in June and include a variety of technologies to test. GridSavvy progress has been delayed, due to contracts from the provider of the thermostats.

The Advanced Energy Rebuild program has had 192 homes apply. CEO Syphers emphasized that AER applications will not be accepted after December 31, 2019 because energy codes in California will be changing.

Senior Manager Kuykendall stated progress on adopting low-carbon Reach Codes has been made with Cloverdale, Petaluma, and Windsor. CM Mattinson asked how the 3rd Title 24 code will work with new reach codes. Senior

SCP/CAC Minutes
May 21, 2019

Programs Manager Rachel Kuykendall responded that staff is working closely with officials to make the process as seamless as possible and provide a lot of the work in the process.

March monthly financial statements and budgetary comparisons were reviewed and CEO Syphers reminded the CAC why the rates are higher in the summer and that the increase is not solely based on usage.

CEO Syphers spoke on a report from the City and County of San Francisco stating they are researching options of publicly owned assets related to electricity delivery. Some considerations are a timeline and when financial benefits would be seen. As a completely urban area with a large percentage of underground lines, the risk for such a venture would be very different in SCP service territories.

The City of Stockton voted unanimously to explore forming a CCA and has contacted SCP regarding grant funds our Board approved over two years ago. The grant would be to help disadvantaged communities research the formation of a CCA. We have not heard back or received an application at this time.

Chair Dowd asked how SCP will help in the transition to the new energy codes and codes requiring solar for all new homes. He expressed concern about homes that do not support having solar due to northern exposure or landscaping. CEO Syphers stated there are exceptions in the code, such as allowances for the use of community solar. SCP is exploring the use of EverGreen in lieu of solar installations. Such a program may ask customers to pay for 100% renewable local EverGreen for a set amount of years.

CM Fenichel asked why people would choose Solar over EverGreen when the codes change. CEO Syphers stated that currently solar is more appealing because of the incentives offered as part of the rate structure. Once those incentives are removed EverGreen would be more appealing.

CM Quinlan asked to what extent would the incorporation of storage options do about the overproduction of solar during mid-day hours. CEO Syphers is interested in seeing what other CCAs are doing for existing solar customers and would like to work on storage options as the TOU rates come into effect.

CM Chaban asked about legislation moving towards a decentralized grid or micro grids. CEO Syphers responded that those changes may not occur thru legislation. SCP has a limited part in but continues conversations with stakeholders, especially with anticipated power shutoffs in high-risk areas.

CM Brophy asked what the impacts would be if the IOUs were no longer private. CEO Syphers stated SCP would have to think about future fire liabilities and risk. Other types of ownership are another possibility, such as co-ops. The possibility of PG&E failing needs to be considered and buying out infrastructure and saving it as a corporation should not be a priority.

SCP/CAC Minutes
May 21, 2019

CM Mattinson emphasized the importance for planning ahead on mandatory solar energy codes as every site has different limitations.

CM Nicholls highlighted how blackouts can also affect communications and to plan ahead. He urged those present to have backup batteries for modems and to have supplies to last at least a 48-hour loss of electricity.

Public Comment: Gerald Glasier - Stressed the need to integrate solar storage as part of the solution. Asked if phase-change materials were available today. Staff responded, yes.

5. Receive Legislative and Regulatory Updates and Provide Input as Appropriate

CM Como announced that work he is doing may be a conflict of interest and recused himself from items 5 and 6. GC Mullan has been made aware and will be looking into the potential conflict.

CM Como left the meeting.

Director of Regulatory Affairs Neal Reardon introduced new SCP team member Carole Hakstian, Risk and Regulatory Compliance Officer. He gave updates on the PCIA which went down, while bundled rates went up between 4 and 9%. He also stated the CPUC wants a simplified buyer for Resource Adequacy and there will be a proposal given to the CPUC soon. PG&E delivery are going up due to natural disasters, but they are not related to the recent fires, but older events.

Director Reardon stated that since the increases in PG&E rates would be on the delivery side, all customers would be affected. The increase in rates would also make it more difficult for SCP to offer competitive rates.

CM Sizemore asked what the public can do as a protest. Director Reardon stated the most effective way he has seen is when the public files complaints directly to the CPUC.

CM Brophy asked if PG&E could recoup costs when decisions at the CPUC are delayed. If so, what is the process? Director Reardon stated the Commission can make decisions that are retroactive, and cost can be recouped.

CM Quinlan asked for clarification on PCIA increases when a simplistic view is that it should be decreasing not increasing. Director Reardon explained that the PCIA increases because contracts may be older, but the delivery of electricity may be scheduled for the future.

CEO Syphers referenced the legislative report distributed in the meeting packet and highlighted one bill, AB 56. SCP has opposed the bill. The bill's sponsor is TURN and the author proposes the Department of Finance and Treasury take over the energy trading, as required by the bill. CM Wells asked

about TURN's intent. CEO Syphers stated he met with TURN to discuss the bill and TURN's intent, as the bill currently would likely increase rates.

Public Comment: None

6. Receive an Update and Provide Input as Appropriate on the Upcoming Residential Electric Vehicle Tariff Changes

Director of Customer Service Erica Torgerson presented on upcoming Electric Vehicle (EV) tariff changes. She stated PG&E will close the current EV-A rate in November and switch current EV-A ratepayers to EV-2 unless one of the solar customers that will be grandfathered in. Customer service is expecting an advice letter from PG&E on June 1st. SCP has planned for the rate changes and will be keeping savings at 1% for those customers who are shifted to the new rate. She also presented other optional rates and how SCP customers will be affected by the adjusted Time-of-Use (TOU) rates. Another new change is that the EV rate will be available to non-EV owners if they utilize battery storage.

Call center staff have been educated on the changes and have been provided talking points. CM Mattinson asked if other IOUs are making parallel changes. Director Torgerson responded that she did not know but will find an answer and email to the CAC members.

7. Review and Recommend Board Approval for the Annual Budget and Rates for Fiscal Year 2019/2020

CEO Syphers reviewed a timeline for budget approval and changes made following the presentation to the Board of Directors. Previous Board and Committee guidance included continuing construction on the Advance Energy Center and the headquarters building. The proposed budget supported at least a 1% savings on most rates.

The review and approval cycle is different this year due to the delay in PG&E rates, which are set to be approved on July 1, 2019, with implementation on September 1, 2019. SCP is attempting to avoid changing rates twice, so staff recommends holding off on setting until PG&E rates are announced.

Three options were presented with varying levels of total bill savings, 0.5%, 1.0% and 1.5%. The Programs budget would not change, but the Program, Operating and Collateral Reserve contributions would all be increased. The new proposed amounts all satisfy SCP Financial Policy B.2, so no exception to the policy would be needed with any of the three proposed options. The proposed budget does reflect a rate increase, but still remains below PG&E rates and provides total bill savings.

CEO Syphers noted the changes in Outreach, Communications and Customer Service, which reflect 25% of the cuts made from the last FY budget having been restored. The majority of the cuts made during budget planning will be maintained for the overall health of the budget, especially during the period of

construction of the new building. The Personnel section also increased to cover the cost of two additional staff.

CM Wells asked about electricity sales and the difference from the previous draft budget. Power Services Manager Rebecca Simonson explained the differences in forecast were due to the previous version using rates available at the time. The current draft budget is more accurate and incorporates PCIA changes, as well. CM Wells asked how much an average customer could expect rates to go up. CEO Syphers stated approximately 5% for generation only, with an approximate 7.5% total bundled increase.

Chair Dowd reiterated that the process is imperfect when staff is expected to calculate budget and rates with imperfect data.

Public Comment: None

Motion to recommend Board approval for the Annual Budget and Rates for fiscal year 2019/2020 by CM Wells

Second: CM Nicholls

Motion Passed: 9-0-0

V. COMMITTEE MEMBER ANNOUNCEMENTS

CM Wells stated he was given money from PG&E for a home in CA that suffered a prolonged power outage.

Chair Dowd announced Warriors won the game the previous night and welcomed the new SCP staff members.

VI. ADJOURN

Chair Dowd adjourned the meeting at 2:58 PM.

Respectfully submitted,



Beau Anderson
Clerk of the Board