



**MEETING MINUTES
BOARD OF DIRECTORS MEETING
THURSDAY, JULY 11, 2019
8:45 A.M.**

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

I. CALL TO ORDER

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

Board members present: Chair Landman, Vice Chair Slayter, and Directors Bagby, Gjerde, Harrington, Healy (alternate), Okrepkie, and Torrez.

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

II. BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve June 6, 2019 minutes of the SCPA Board of Directors meeting
2. Approve Professional Services Agreement with S2 Advertising for Comprehensive Media Consulting Services
3. Approve Contract between Sonoma Water and SCP for Education Program
4. Ratify Continued Use of Residential Electric Vehicle Rate EV2 Effective July 1, 2019

Public comment: none

July 11, 2019 SCPA Board Directors Consent Calendar adopted by unanimous consent.

III. BOARD OF DIRECTORS REGULAR CALENDAR

5. Joint SCP/PG&E Presentation on Time of Use Rates and Bill Protection

Jessica Chancellor, from PG&E's Pricing and Products team, presented on PG&E's new Time of Use ("TOU") rates and the pilot rollout with SCP. She detailed the background on the transition to TOU rates, which is intended to simplify the rate structure, promote energy conservation, and more accurately allocate costs to customers following a mandate from the CPUC to IOUs. She then outlined the pilot phase of the TOU transition, including the total number of customers transitioned, customer survey results, and preliminary findings of an overall reduction of 4.2% of total peak load per customer per hour. Following this, Ms. Chancellor described the TOU rate structure, customer metrics around the TOU transition, and an overview of the full residential TOU transition. The transition will begin in October 2020 with the following elements: E-TOU-C rates will become the default rate plan, customers will have the ability to elect their preferred rate plan, up to 12 months of bill protection

will be provided to all PG&E charges for transitioned customers, and customers will be provided with a minimum of 2 notifications prior to the transition.

Director Harrington asked about any financial impacts from extending bill protection to customers transitioned to the TOU rate, and CEO Syphers noted that a drop in volume of sales will reduce costs on the generation of power, although this still may necessitate a nominal rate increase to offset lost expenditures pending future analysis.

Chair Landman asked if there are winners and losers from the new rates, and Miss Chancellor stated that in SCP's service territory the rates are largely behavioral based, so customers that use more energy during peak pricing will incur higher bills whereas those that limit usage will realize greater savings.

Public comment:

Bill Mattinson, asked about the Net Energy Metering rollout timeline and what that process entails.

Tom Conlon, asked about rates and shared his concern for weather-sensitive ratepayers who may be adversely impacted by this policy.

6. Receive Informational Report on the Spirit of Entrepreneurship Grant Recipients

Commercial Accounts Manager, Nathan Kinsey, updated the Board on the inaugural Santa Rosa Junior College Spirit of Entrepreneurship grant partnership and fund, history of the project, selected grant recipients, their grant proposals, lessons learned, and future efforts.

Chair Landman asked how the grant partnership furthers SCP's mission, and CEO Syphers noted that the grant proposal language contains many elements from SCP's Joint Powers Agreement, and in particular, the agency's climate goals.

Public comment: None

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

CEO Syphers updated the Board on outreach efforts to Lake County regarding their interest in community choice, and that a meeting with County staff is scheduled prior to the next Board meeting. Director of Internal Operations, Stephanie Reynolds, noted that the City of Cotati adopted EverGreen, the City of Windsor is switching some municipal accounts to Evergreen, the County of Sonoma approved funding for switching select accounts at their recent budget hearing, and the City of Sebastopol budgeted for adopting Evergreen for all their accounts.

Vice Chair Slayter asked if there has been any outreach to other entities like special districts, fire departments, and libraries; Commercial Accounts Manager started that staff is developing an outreach initiative for non-municipal customers to adopt EverGreen. Chair Landman noted his support for expanding EverGreen outreach efforts to the business community as well.

Chief Operating Officer, Michael Koszalka, updated the Board on the monthly financials, growth of customer accounts, and the overall strong base of SCP's financial standing.

Director Reynolds then advised the Board that the November 7th Board meeting conflicts with the annual CalCCA conference and given the large number of SCP staff that will be attending, it is likely that staff will request the meeting be held on November 14th.

Director Belforte arrived at approx. 9:48am

Public comment:

Mike Turgeon, Friends of the Climate Action Plan, thanked the respective Board Members for their efforts to adopt EverGreen in their jurisdictions, along with an update of the City of Santa Rosa's Climate Subcommittee's likely recommendation to adopt EverGreen.

Woody Hastings, encouraged greater engagement with member jurisdictions to further climate goals.

Tom Conlon, noted the value and innovative nature of SCP's programs, suggested additional outreach to special districts and other jurisdictions for EverGreen, his surprise that more homeowners aren't taking advantage of the Advanced Energy Rebuild program, and potential partnership with Sonoma Marin Area Rapid Transit.

Kevin Conway, Friends of the Climate Action Plan, spoke in support of microgrids and making homes micro-grid ready.

Vice Chair Landman noted the City of Sebastopol's recent fiscal year budget approval, which includes funds for switching municipal accounts to EverGreen and the benefits the switch provides in reducing greenhouse gas emissions.

Director Gjerde noted his support for amending the building code to allow for use of EverGreen in lieu of rooftop solar, and suggested advocacy efforts to amend building code policies. CEO Syphers detailed efforts by SCP to change the 2020 building code updates to allow for the use of EverGreen as described by Director Gjerde.

8. Receive Legislative and Regulatory Updates and Provide Direction as Appropriate

CEO Syphers introduced the item by noting AB 54 is not moving forward, then he provided the following legislative updates: AB 1054, which passed out of committee and is moving towards a vote on the Assembly floor; AB 684, passed the Senate Housing Committee and is in appropriations; SB 155, has been amended but SCP is still not taking a position on; SB 350, pulled by the author and will come back in January; SB 520, passed out of committee and SCP will work with the author over the summer to address issues with the bill.

Vice Chair Slayter asked about a recent press article on AB 1054 and any implications for microgrids and municipal owned energy. CEO Syphers stated that since the bill was just published, additional study is needed prior to making a determination on any potential impacts.

Director of Regulatory Affairs, Neal Reardon, updated the Board on the revised PCIA fee which is lower than previously forecast and the beneficial impacts this has on customers.

Public comment: Tom Conlon, shared his concerns regarding AB 1054.

9. Adoption of Customer Rates for September 1, 2019 Consistent with Community Advisory Committee Recommended Bill Savings

CEO Syphers introduced the item by noting the drop in PCIA fees will assist SCP in generating revenue and maintaining customer rate savings. He then detailed the proposed 1% and 2% rate saving scenarios, and the impacts they would have towards customer savings, customer programs, capital investment, and reserve funds.

Director Harrington asked what the year-over-year increase in rates year would be, and Power Services Manager Rebecca Simonson stated that with PG&E bundled rates increasing, the 2% savings scenario would lead, on average, to a total bill increase of 5.7%, and increase equal to the increase PG&E's customers will see. Director Harrington then asked what the rate increase would be, year over year, based on the 1% scenario and Power Services Manger Simonson stated the overall rate increase would be 6.8%.

Director Belforte asked about potential PG&E fee increases in the sum of \$10.75 and when that may take effect. Director of Customer Service, Erica Torgerson, detailed that that fee would be on the distribution side of the bill as a line item, and the likelihood that it will be approved by the CPUC.

Director Belforte then asked how these savings support SCP's contributions to reserves. CEO Syphers noted that both options comply with the Board approved Financial Policy and contributions to reserves, and the 1% scenario would have greater impacts on reserves than the 2% scenario.

Public comment: Ken Wells, Community Advisory Committee member, noted his support for the 2% rate savings proposal.

Director Harrington noted her support for the 2% rate savings proposal.

Motion to adopt Customer Rates for September 1, 2019 Consistent with Community Advisory Committee Recommended Bill Savings by Director Okrepkie.

Second: Director Belforte

Motion passed: 8-0-0

IV. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

Public comment: Woody Hastings advised the Board that AB 1054 was just voted out of the Assembly.

Director Harrington left the meeting at approximately 10:46am.

V. CLOSED SESSION

The Board of Directors of the Sonoma Clean Power Authority will consider the following in closed session:

10. Public Employee Performance Evaluation - General Counsel (Government Code Section 54957)
11. Conference with Legal Counsel - Existing Litigation (Paragraph (1) of subdivision (d) of Section 54956.9) Name of Case: In re PG&E Corporation, Debtor; Chapter 11; US Bankruptcy Court, Northern District of California San Francisco Division, Case No. 19-30088(DM) and Case No. 19-300889(DM)

The Board adjourned to Closed Session at approximately 10:46am.

The Board reconvened from Closed Session at approximately 12:02pm

Chair Landman reported that the Board gave staff direction on the closed session items.

Public comment: None

VI. BOARD MEMBER ANNOUNCEMENTS

None

IV. ADJOURN

Chair Landman adjourned the meeting at 12:02pm

Respectfully submitted,



Beau Anderson
Clerk of the Board