



**MEETING MINUTES
BOARD OF DIRECTORS MEETING
THURSDAY, OCTOBER 3, 2019
8:45 A.M.**

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

I. CALL TO ORDER

Vice Chair Slayter called the meeting to order at 8:46 a.m. and announced that the Closed Session item on the agenda will be tabled.

Board Members Present: Vice Chair Slayter and Directors Babgy, Cook, Gjerde, Healy, Okrepkie, Schwartz, and Tibbetts

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 August 1, 2019 minutes of the SCPA Board of Directors meeting
2. Ratify the Continued Use of Schedules E-19 and E-20 Option R Rates Effective September 1, 2019
3. Adopt a New Commercial Rate Structure and Rates for the Remainder of the 2019/2020 Fiscal Year
4. Adopt the Recommended Contract Goals for SCP's CEO
5. Adopt Resolution Attesting to the Accuracy of SCP's 2018 Power Source Disclosure Report for CleanStart

Public comment: none

Motion to adopt the October 3, 2019 SCPA BOD Consent Calendar by Director Okrepkie

Second: Director Schwartz

Motion passed: 8-0-0

Chair Landman and Director Torrez arrived at approximately 8:47am

III. BOARD OF DIRECTORS REGULAR CALENDAR

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

Kate Kelly, Director of Public Affairs and Marketing noted that the month of October is "Clean Energy Month" and then detailed a promotional material packet for SCP's EverGreen product that she compiled for the Board.

Stephanie Reynolds, Director of Internal Operations, announced that SCP was awarded the North Bay Business Journal's Best Place to Work award, introduced new staff, and gave an update on the 431 E Street building headquarters project.

CEO Geof Syphers reminded the Board that the Cities of Fresno and Stockton are engaged with SCP to potentially utilize a planning grant that is available for disadvantaged regions to explore creating a CCA; following this, he updated the Board on Lake County's interest in community choice and a proposed draft timeline, should all parties decide to move forward.

Director Schwartz asked about EverGreen outreach and status of previous marketing campaigns. CEO Syphers noted that no large-scale marketing took place in the past and detailed more recent efforts to promote EverGreen and increase enrollment. Chair Landman asked about the benefits of EverGreen given the number of Alternate Directors in attendance, and CEO Syphers described the intent of the EverGreen program. CEO Syphers then described the PermaGreen program, which was recently instituted by SCP with an inaugural customer, and how the program could potentially serve as an alternative to rooftop solar requirements under the 2020 building code changes. Using Evergreen as an alternative to mandatory solar in the new 2019 building code would have to be approved by the CEC.

Director Reynolds noted the status of recruitment for openings on the Community Advisory Committee and that the ad hoc committee appointed by the Board will be bringing recommendations to the Board at the next meeting.

CEO Syphers showcased a portable solar-powered battery system to the Board as an alternative to gas or diesel-powered generators being purchased by many in the potential PSPS areas.

Public comment:

Ben Peters spoke about the Municipal Storage Request for Proposals contained in the Monthly Operations Report and referenced work Monterey Bay Community Power is doing in this area.

Eric Fraser from the Greater Cherry Street Neighborhood Association spoke about promoting the PermaGreen program for historical buildings, and then detailed his work with the City of Chicago.

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

Director of Regulatory Affairs Neal Reardon updated the Board on the Energy Resource Recovery Amounts proceeding where the PCIA and bundled rates are set for the following year, and that SCP, through an expert witness, discovered that Resource Adequacy credits were significantly underreported by PG&E. This discovery will provide significant savings to SCP customers, and without the work of SCP and the expert witness, it is likely that customers would not have received the appropriate amount of Resource Adequacy credits.

CEO Syphers noted the somewhat uneventful close of the legislative session, along with the status of the following bills:

- SB 520 (Provider of Last Resort by Hertzbeg), which SCP opposed, passed; and
- SB 255 (Bradford) passed with SCP support; and
- AB 235 (Mayes) which SCP opposed and was tabled until the following year.

Public comment: none

8. Award Construction Contract for the Advanced Energy Center to Low Bidder, Agbayani Construction Corporation and Waive Immaterial Bidding Irregularities; Adopt CEQA Exemption Resolution; and Reject Bid Protest from Arntz Builders, Inc.

Chad Asay, SCP Programs Manager, provided background on the California Energy Commission grant, which is being used to fund the Advanced Energy Center and promote emerging energy-saving technologies. He then detailed the overall contract cost, the public bid process, and staff's recommendation to award the construction contract to the low bidder, Agbayani Construction Corporation. He noted that the staff report for the item contains a CEQA Exemption Resolution and a request that the Board reject a bid protest from Arntz Builders Inc.

Public comment: none

Motion to Award Construction Contract for the Advanced Energy Center to Low Bidder, Agbayani Construction Corporation and Waive Immaterial Bidding Irregularities; Adopt CEQA Exemption Resolution; and Reject Bid Protest from Arntz Builders, Inc. by Director Schwartz

Second: Director Tibbetts

Motion passed: 10-0-0

9. Discussion and Provide Direction as Appropriate on the Proposed Draft Successor Program to SCP's NetGreen Program

CEO Syphers introduced the item by giving background on the NetGreen program and subsequent changes in the energy market, particularly in the area of wholesale solar energy pricing, since the program's inception.

Director of Customer Service, Erica Torgerson, followed by noting this is a preliminary discussion and she will bring this back to both the CAC and the Board. She then detailed the following staff recommendations for this item:

- Maintain the current NetGreen program net monthly billing process, but evolve the program's annual cash-out to a Net Surplus Compensation (NSC) cash out process that pays customers a rate closer to wholesale prices when a customer over-generates on an annual basis, but still provides a financial benefit when compared to PG&E's net energy metering program; and
- Following the spring 2020 annual cash out, staff proposes to shift NEM customer to an NSC program for the annual cash out.

Director Healy noted his support for staff's recommendation, asked from a marketing perspective whether NetGreen should be phased out and

replaced, and the need for system-wide battery storage to address the duck curve.

Chair Landman suggested that staff evaluate using any savings from adjusting the NetGreen premium to fund other programs, such as providing incentives for battery storage for new solar installations.

CEO Syphers asked what further information the Board needs from staff prior to bringing back a formal proposal. Director Schwartz requested that staff look at the most cost-effective options available to meet program goals; Director Bagby asked that staff consider low-income individuals when crafting any recommendations; and Director Torrez requested that staff investigate microgrids for low-income areas.

Public comment:

Jeff Mathias, owner of Synergy Solar and co-chair of the North Bay California Solar Storage Association, stated that on November 1st the peak rate schedule will change, which will lead to lower NEM returns for customers. In addition, he noted a significant percentage of solar arrays are now being installed with battery storage.

Ben Peters spoke about grandfathering of existing NEM customers and protecting investments made by ratepayers. He noted that staff's recommendation does not do enough to incentivize changes in use patterns by consumers.

Chair Landman recounted direction to staff on this item, which included considering the cost-effectiveness of investments, whether CalCCA could leverage resources for potential projects, grandfathering existing NetGreen customers for a finite period, and potentially holding a workshop to gather additional stakeholder feedback on this topic.

Director Tibbetts left at approximately 9:52 am.

10. Approve and Delegate Authority to the Chief Executive Officer to Negotiate and Execute a Contract with the Center for Sustainable Energy to implement a Sonoma and Mendocino County CALeVIP Project in 2020

Programs Manager Nelson Lomeli detailed the partnership between SCP, the Northern Sonoma Air District, the Bay Area Air District, the Mendocino Air District, and the Regional Climate Authority, to secure a \$5.1 million dollar grant to further the installation of EV charging infrastructure in SCP's service territory. He detailed the agreement with the Center for Sustainable

Energy to administer the project and staff's request of the Board to approve \$1.65 million dollars. Programs Manager Lomeli recounted the Community Advisory Committee's unanimous support for this item.

Vice Chair Slayter asked if municipal parking lots would be eligible and Programs Manger Lomeli stated that those are eligible sites. Director Schwartz asked why SCP moved away from incentivizing the purchase of electric vehicles and is instead promoting charging infrastructure; CEO Syphers acknowledged the success of SCP's DriveEV program and the ongoing need to grow the electric transport market, while highlighting the need to build out the electric vehicle charging network. Director Okrepkie asked how this agreement connects with existing private entities such as Tesla that are currently installing chargers in SCP's service territory; Programs Manager Lomeli described how Tesla is not eligible because their charging ports are proprietary, and subsequently, not accessible to non-Tesla EV drivers.

Chair Landman asked about the allocation of funding dollars across SCP's service territory and why the County of Mendocino has a lower number of chargers. Programs Manager Lomeli detailed the anticipated need in Mendocino County and the CEC's determination that existing funding will help reach Mendocino's needs for charging infrastructure.

Public comment: Ben Peters noted that the additional funding offered through the Charge! program by the Bay Area Air Quality Management District and suggested that staff evaluate if the available funding could be utilized in underserved and/or rural areas for installation sites.

Motion to Approve and Delegate Authority to the Chief Executive Officer to Negotiate and Execute a Contract with the Center for Sustainable Energy to implement a Sonoma and Mendocino County CALeVIP Project in 2020 by Director Gjerde

Second: Director Bagby

Motion passed: 8-0-0

Director Cook left at approximately 10:29am.

IV. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

Public comment:

Barry Vesser spoke about his work on EV charging infrastructure in disadvantaged communities in the Bay Area and Central Valley.

Ken Wells commented on staff's recent accomplishments in bringing significant grant funding and savings to ratepayers.

Eric Fraser welcomed the Board to the Greater Cherry Street Neighborhood Association and outreach efforts by the group, among other topics.

V. BOARD MEMBER ANNOUNCEMENTS

Vice Chair Slayter announced that he and Director Babgy joined staff for a ribbon-cutting ceremony for the Cloverdale ProFit solar project. CEO Syphers detailed how this is a 1MW project that is now operational and can power approximately 300 homes.

Director Bagby stated that she is attending the upcoming CalCCA Annual Conference

VI. ADJOURN

Chair Landman adjourned the meeting at 11:00am.

Respectfully submitted,



Beau Anderson
Clerk of the Board