



**MEETING MINUTES
BOARD OF DIRECTORS MEETING
THURSDAY, NOVEMBER 14, 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 approximately 8:46am and announced that the Closed Session item on the agenda would be tabled.

Board members present: Chair Landman, Vice Chair Slayter, Directors Gjerde, Hopkins, King, Strong, Tibbetts, and Okrepkie

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 October 3, 2019 minutes of the SCPA Board of Directors meeting
2. Approve Amended and Restated Power Purchase Agreements with Bodega Energy West, LLC and Petaluma Energy East, LLC Under ProFIT Program
3. Approve First Amendment with Sixth Dimension for Contract Management Services to Increase the Budget by \$74,849 for the Advanced Energy Center
4. Approve First Amendment with Sixth Dimension for Contract Management Services to Increase the Budget by \$49,630 for the 431 E Street Headquarters Project
5. Delegate Authority to the CEO to Negotiate, Execute and Amend a Professional Services Agreement with TerraVerde, LLC to Validate Performance and Evaluate Energy Storage Feasibility of Municipally owned Solar Facilities

Public comment: none

October 3, 2019 SCPA BOD Consent Calendar adopted by unanimous consent with Directors Hopkins, King, and Strong abstaining from item #1 on the Consent Calendar.

III. BOARD OF DIRECTORS REGULAR CALENDAR

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

Director of Internal Operations Stephanie Reynolds introduced Scott Lawrence, who joined the Customer Service team as a Commercial Accounts Specialist. Director Reynolds then provided an update on the CAC ad hoc recruitment and that a recommendation for appointments will be brought to the full Board at their December 5, 2019 meeting.

Director Strong asked about the City of Willits' participation rates. Vice Chair Slayter requested that future participation reports include data on EverGreen enrollments.

Public comment: none

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

Director of Regulatory Affairs Neal Reardon provided an update on the Energy Resource Recovery Account rate setting process, which may be delayed beyond January 1st, 2020. For the October 31st Resource Adequacy (RA) filings, Director Reardon stated 19 LSEs filed for waivers, including SCP, PG&E and other IOUs. CEO Syphers noted that SCP was within 1% of required RA. Director Reardon then detailed an Integrated Resource Planning decision by the CPUC, which would require SCP to have new qualifying capacity by 2023. Director King asked about the proposed PCIA fee increase and Director Reardon stated that comments are due to the CPUC in the following week. Director King requested that staff follow up with a PCIA report at the Board's December meeting. Director Reardon then detailed a ruling from a CPUC Administrative Judge directing PG&E to show cause for why it should not be sanctioned for specific items related to the October Public Safety Power Shutoff (PSPS) events including violations of the California Public Utilities Code, failing to properly communicate with its customers, lack of coordination with local governments, and inadequate communication with critical facilities and public safety partners during the shutoffs.

Director Harrington asked about the implications of an order to show cause; Director Reardon stated that there is a significant range of financial penalties should PG&E not be able to demonstrate cause.

Public comment: none

Director Harrington arrived at approximately 9:10am.

8. Receive and Accept Audited Financial Statement for FY 2018/2019

Brett Bradford and Beth Samit from Pimenti & Brinker detailed the relative roles and responsibilities between their firm and SCP's accounting team during an audit. Mr. Bradford noted that the audit is near-completion, and based on their audit, they expect to report that the financial statements are materially accurate, that the accounting policies adopted by SCP throughout the period appear to be appropriate and consistently applied, and that they do not expect to propose any changes to the financial statements.

Public comment: none

Motion to Accept Audited Financial Statement for FY 2018/2019 by Director Harrington.

Second: Director Okrepkie

Motion passed: 8-0-0

9. Receive an Update on Advanced Energy Rebuild and Select an Option for an Advanced Energy Build Program in 2020

Director of Programs Cordel Stillman detailed Advanced Energy Rebuild success to date and status of program. He outlined the proposed successor program which would provide incentives for new all-electric residential construction, and that the Community Advisory Committee unanimously supported this item with a recommendation to the Board for the option to provide funding for 500 homes.

Director Hopkins asked about the potential for providing incentives for remodels of existing housing. Director Stillman noted that the Advanced Energy Center will provide incentives for remodels and retrofits of existing housing stock. Director Tibbetts questioned the efficacy of the proposed program, echoed the need to incentivize remodels, and suggested that program dollars be prioritized in cities that have already adopted REACH codes or taken other regulatory actions to reduce GHG emissions. Vice Chair Slayter noted his support for Option #2 and agreed with the need for program dollars to support remodels. Director Harrington requested that staff provide metrics to demonstrate the effectiveness of the program.

Director King detailed his support for Option #2. Director Tibbetts noted his support for Option #1 to provide funding for 200 houses as well as his preference for incentivizing battery storage options. Director Okrepkie

stated that remodels should be considered. Chair Landman stated his support for Option #1.

Public comment: Ben Peters spoke about ways to best incentivize consumer behaviors and detailed a program by PG&E to encourage home energy retrofits.

Motion to approve an Advanced Energy Build program in 2020 with a maximum budget of \$2,816,500 for 500 homes by Director Slayter

Second: Director King

Motion passed: 8-1-0

Director Tibbetts left at approximately 10:22am.

10. Presentation and Discussion on PG&E Public Safety Power Shutoffs, Lack of Grid Reliability, Lack of Grid Safety, and Potential Actions by SCP in Response

CEO Syphers introduced the item and outlined potential responses by SCP to PSPS events, issues with grid reliability & safety, various scenarios for PG&E emerging from bankruptcy, and requested that the Board provide direction to staff.

Director of Programs Cordel Stillman then detailed the following efforts currently underway by SCP regarding PSPS events:

- Assistance to commercial & industrial customers with audits to identify critical electric loads and advice on the most economical way to provide backup power;
- Exploring municipal solar power and battery storage options;
- Issuing a Request for information to battery suppliers;
- Residential battery program in development;
- On-bill financing for energy saving technologies purchased through the Advanced Energy Center; and
- Microgrid technical assistance

The Board then held a discussion, and following this, Chair Landman recounted staff direction, which included: ensuring SCP is involved in any discussions regarding reorganization of PG&E; exploring regional public ownership models; equitable cost sharing for grid improvements across PG&E's service territory; ensuring that the current PG&E workforce is considered in any municipalization discussions; and advocating for increased & effective oversight by pertinent regulatory bodies such as the CPUC.

Public comment:

Dick Dowd spoke about grid reliability and equitable cost sharing for improvements to the grid across PG&E's service territory.

Andy Ferguson spoke about public understanding of CCAs and the need for increased public relations around the topic of municipalization.

Ben Peters spoke about DC power and grid reliability, the potential for SCP operating in PG&E's service territory should the utility reorganize, involvement of the federal government assisting with grid reliability improvements, and challenges with connecting microgrids to PG&E's infrastructure.

Ted Tiffany asked if the Board has been briefed on battery storage efforts underway by other CCAs.

The Board then took a straw poll to gauge support for providing staff direction on exploring municipalization, co-op or other form of customer ownership of distribution grid infrastructure, either locally or across all PG&E's territory; the straw poll indicated majority support among the Board.

IV. BOARD MEMBER ANNOUNCEMENTS

Director Okrepkie recounted the recent Kincadee fire, the impact on the Town of Windsor, and thanked first responders for their significant & heroic efforts to save the town.

Director Strong detailed letters by the County of Mendocino Board of Supervisors and the City of Willits to PG&E detailing their frustrations with PG&E around PSPS events.

Chair Landman adjourned the meeting at approximately 12:16pm.

Respectfully submitted,



Beau Anderson
Clerk of the Board