



**MEETING MINUTES
BOARD OF DIRECTORS REGULAR MEETING
THURSDAY, MARCH 5, 2020
8:45 A.M.**

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

I. CALL TO ORDER

Chair Slayter called the meeting to order at 8:45 am.

Board members present: Chair Slayter, Vice Chair Bagby, and Directors Belforte, Gjerde, King, Landman, Okrepkie, Tibbetts, and Torrez

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Stephanie Reynolds, Director of Internal Operations; and Harriet Steiner, Special Counsel

II. BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve February 6, 2020 SCPA Board of Directors Draft Meeting Minutes

Public comment: None

Motion to Approve February 6, 2020 SCPA Board of Directors Meeting Minutes by Director Landman

Second: Director Tibbetts

Motion passed: 9-0-0

III. BOARD OF DIRECTORS REGULAR CALENDAR

2. Receive Internal Operations and Provide Direction as Appropriate

Director of Internal Operations Stephanie Reynolds introduced the item by noting that SCP staff is developing contingency plans to operate in the case of a public health emergency related to the COVID-19 virus; CEO Syphers advised the Board the SCP is considering various options such as delegating authority to the CEO on a short-term and time-limited basis for ensuring continuity of business should the Board not be able to convene. Director Reynolds then gave an overview of current participation rates, upcoming public events that staff is participating in, a recent workshop in Mendocino County for business owners, and bill forgiveness for customers affected by the Kincade Fire. She detailed an upcoming public workshop that SCP is sponsoring for customers interested in battery storage options. Programs Manager Chad Asay then gave an update on the Advanced Energy Center and progress to date on construction and vendor recruitment. Director

Reynolds noted that January and February financial reports will be brought to the Board at their next meeting.

Public comment: Deborah Tavares spoke on matters related to grant funding for the Advanced Energy Center.

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

Director of Regulatory Affairs Neal Reardon spoke about a recent CPUC decision that credited SCP customers approximately \$3.1 million from PG&E for renewable energy that was generated in the past and banked, as opposed to being used immediately. He noted the upcoming May 1st increase in the Power Charge Indifference Adjustment ("PCIA") fee, which is expected to be \$38.6 million with an overall cost to ratepayers in 2020 of \$103 million. CEO Syphers noted that staff will be bringing rate proposals to the Board at upcoming meetings to reduce a sudden and significant increase in customer bills due to the PCIA fee. Director Reardon then spoke on PG&E's proposed Distributed Generation Microgrid Services program; CEO Syphers shared his concerns with PG&E's proposed program as it does not address core issues with grid reliability & safety and relies solely on fossil-fuel generation resources.

SCP Lobbyist Katherine Brandenburg reported on recent events at the State Legislature and noted that she is reviewing over 100 pieces of legislation which may impact CCAs and SCP in some way and she will provide recommendations to the Board on these bills at a later date. CEO Syphers noted that CalCCA is sponsoring a bill (AB 3014) on a central reliability authority for procuring capacity resources. He then detailed a proposed bond bill (SB 45) for wildfire & drought prevention, safe drinking water, and flood protection, along with funding for microgrids, distributed generation & storage, home backup systems, and community resiliency centers. The final bill he noted is that CalCCA moved to support SB 378 which would require Investor Owned Utilities (IOUs) to regularly report on the condition of their equipment, maintenance logs, cost recovery for Public Safety Power Shutoff (PSPS) events, increased notification to local governments for PSPS events, and fines should IOUs not conform with reporting requirements.

Public comment:

Deborah Tavares spoke on matters related to nuclear energy and the reliability of renewable energy sources.

Ben Peters spoke on nuclear energy and promoting local capacity resources.

4. Approve Budget for Self-Generation Incentive Program (SGIP) Assistance Program and Delegate Authority to the CEO to Negotiate, Execute, and Amend a Professional Services Agreement for SGIP Assistance Processing

COO Koszalka introduced the item by identifying barriers to the SGIP program, which include an onerous application process and the length of time required to receive a rebate. Programs Manager Carolyn Glanton gave the Board an overview of the proposed program which would provide technical assistance with processing applications and an upfront payment to customers for the anticipated rebate amount. The program will be open to SCP residential & government customers and provide funding for battery installations under 30 kW. Under the program, the customer will sign an agreement that will assign the SGIP rebate to SCP and the process will resemble a revolving loan fund.

Public comment:

Deborah Tavares asked when program documentation will become available.

Ben Peters asked how the program will benefit SCP and encouraged extending to commercial customers.

Ken Wells noted the Community Advisory Committee's support of this item.

Chair Slayter asked about integration into the GridSavvy program; Programs Manager Glanton noted that under the agreement the batteries will be able to integrate with GridSavvy.

Motion to Approve Budget for Self-Generation Incentive Program (SGIP) Assistance Program and Delegate Authority to the CEO to Negotiate, Execute, and Amend a Professional Services Agreement for SGIP Assistance Processing by Director King

Second: Director Belforte

Motion passed: 9-0-0

5. Presentation on PG&E Substation Generator Proposal and Approve Letter of Support for Fort Bragg Microgrid

CEO Syphers introduced the item by detailing the City of Ft. Bragg's proposed renewable microgrid project, which the City is bringing forward as an alternative to PG&E's Substation Generator Proposal to ensure continuity of key city services during PSPS events. CEO Syphers highlighted how the City has no natural gas infrastructure at the coast but does have legacy utility infrastructure that connects their hospital, fire station, and police station from a now-defunct generation facility. He detailed the City's proposal which would use battery storage, coupled with solar photovoltaic, to maintain essential services during PSPS events or other outages. He then stated that there is broad local support for this project, thus prompting his request that the Board provide a letter of support. He then noted how this project could serve as a model for other municipalities.

Public comment:

Deborah Tavares spoke about cities signing climate emergency proclamations which preclude them from using fossil fuels, and impacts to residents during power outages.

Ben Peters asked how cities can be added to PG&E's list for potential sites and his support for Ft. Bragg's microgrid proposal.

Motion to Approve Letter of Support for Fort Bragg Microgrid by Director King

Second: Director Tibbetts

Motion passed: 9-0-0

Director Belforte left at approximately 10:29 am

6. Presentation of Lake County Feasibility Study and Provide Direction as Appropriate

CEO Syphers introduced the item by noting that extending service to Lake County is not recommended at this time. This determination is largely based on a high cost of service due to the PCIA fee. Although he is not encouraging Board approval of service, he wants to continue to advocate on behalf of Lake County at the legislative level and suggests revisiting extending service once the PCIA fee decreases. Lake County Deputy County Administrator Matthew Rothstein thanked the Board and staff for their efforts and reiterated Lake County's interest in maintaining a partnership moving forward.

Public comment: Deborah Tavares spoke about impacts to services in rural areas such as Lake County.

Vice Chair Bagby noted her support for ultimately extending service to Lake County when economic conditions improve and advocating on behalf of the County on the state level. Director Gjerde noted his support for considering generation resources in Lake County should there be an opportunity to do so. Director Okrepkie stated that he would like to see advocacy on behalf of Lake County in-lieu of extending service at this time. Director Tibbetts affirmed support for advocacy and asked at what point rates could be competitive; CEO Syphers stated that once PCIA is reduced by a 1/3rd, it warrants revisiting this topic. Director Landman noted his support for tabling this item until the PCIA fee is reduced to a point where extending service becomes financially viable. Director King supported advocacy efforts and looking at future opportunities to extend service. Chair Slayter noted his support for the recommendations in the staff report for this item.

CEO Syphers recounted Board direction for this item, which included an annual update to the Board on extending service, evaluating Lake County's interest once Diablo Canyon closes or when PCIA is 2/3rds of 2020 levels, continued advocacy and support for Lake County at the legislative level, and potential development opportunities for renewable energy projects; Director Tibbetts requested that direction provided to staff be memorialized by a vote of the Board.

Motion to direct staff to provide an annual update to the Board on extending service, evaluating Lake County's interest once Diablo Canyon closes or when PCIA is 2/3rds of 2020 levels, continued advocacy and support for Lake

County at the legislative level, and potential development opportunities for renewable energy projects by Director Tibbetts

Second: Director Landman

Motion passed: 8-0-0

IV. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

None

V. BOARD MEMBER ANNOUNCEMENTS

None

VI. ADJOURN

Chair Slayter adjourned the meeting at 11:02am.

Respectfully submitted,



Beau Anderson
Clerk of the Board