



**MEETING MINUTES  
COMMUNITY ADVISORY COMMITTEE MEETING  
March 25, 2019  
1:00 PM**

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

**I. CALL TO ORDER**

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

Committee Members present: Chair Dowd and Committee Members Baldwin, Brophy, Chaban, Fenichel, Nicholls, Sizemore, and Wells.

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

**II. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA**

None

**III. COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR**

1. Approve February 19, 2019 CAC Meeting Minutes

Public comment: None

Motion to approve the February 19, 2019 meeting minutes by CM Baldwin

Second: CM Nicholls

Motion passed: 6-0-2

**IV. COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR**

2. Receive Operations Report and Provide Input as Appropriate

Director of Internal Operations Stephanie Reynolds updated the Committee on the new Risk and Regulatory Compliance Officer's starting date, which is April 1<sup>st</sup>, and the status of the Chief Operating Officer recruitment. Chair Dowd asked what responsibilities the Risk Officer will have and what level of interest there was for the COO position. General Counsel Jessica Mullan provided an overview of the Risk Officer duties

(regulatory responses & filings and the establishment of an internal risk oversight function among other duties); CEO Syphers detailed the COO responsibilities (significantly manage the daily operations of SCP, personnel management, fiscal management, setting the agency's goals, etc.) and the high level of interest in the position from very well-qualified individuals. Director Reynolds acknowledged Senior Programs Manager Rachel Kuykendall as a recipient of the North Bay Business Journal's "Forty Under Forty Award" and her contributions since joining SCP.

CEO Syphers then updated the Committee on the PG&E bankruptcy, including proposed legislation for a secondary type of insurance for utilities that would be paid for by ratepayers. He noted CalCCA's position that PG&E should focus on safety, and how this could be supported by PG&E exiting the generation side of electricity to focus on grid reliability and safety.

Chair Dowd asked about the status of other major IOUs in California, and if any reorganization talks have touched on these IOUs. CEO Syphers noted that Southern California Edison faces significant wildfire liability and has had their credit downgraded as a result of the PG&E bankruptcy.

CM Fenichel asked what percentage of PG&E's territory is not covered by a CCA, and CEO Syphers stated that a majority PG&E's territory is served by CCAs. CM Brophy recounted a Press Democrat article which noted that Senator Dodd had supported CalFire taking over wildfire maintenance of the grid from PG&E and other utilities; CEO Syphers stated he has not studied this option.

Director Reynolds highlighted the updated consent calendar procedures, which are being introduced to maximize meeting efficiency. She then provided the Committee a 431 E Street building update, including design status and notice that a prequalification bid for construction services will be released by SCP this week. Director Reynolds advised the Committee that the Programs team is developing a flood relief program for customers in SCP's territory, particularly for those located along the Russian River, and that a more detailed plan will be brought back to the CAC and BOD. Following this, Director Reynolds updated the Committee on the monthly compiled budgetary & financial statements, as well as the upcoming public meeting schedule for the BOD and CAC.

Public comment:

Mike Turgeon, Friends of the Climate Action Plan, commented on the all-electric Reach code and advocacy efforts.

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

CEO Syphers provided the legislative report by noting a few high-profile bills that SCP is monitoring such as AB 56 (E. Garcia); SB 350 and SB 520 (Hertzberg). He then detailed SB 255 (Bradford), which calls for increasing energy supplier diversity among identified minorities, and that the SCP BOD Chair and Vice Chair authorized the CEO to draft a letter of support for this bill.

Director Reardon apprised the Committee on the following items: the proposed central buyer for Resource Adequacy, and the Energy Resource Recovery Account fee, which will likely be approved by July 1<sup>st</sup>.

Public comment: None

4. Review and Provide Input on the Annual Budget and Rates for Fiscal Year 2019/2020, Including a Possible Exemption from Financial Reserves Policy

CEO Syphers introduced the item by noting data which is typically available earlier in the year, such as the PCIA fee and PG&E's rate schedule update, has not been released publicly. Because of these factors, staff plans to bring back a recommended budget to the CAC at the May meeting. If the outstanding fees and rates are unknown at that time, staff proposes to bring the draft rates at a later meeting with a possible budget adjustment in July or August. CEO Syphers then outlined the various budget scenarios to the CAC, including staff's preference for the equal savings scenario, the methodology for coming to this recommendation, along with the various budgetary line items. Following this, he highlighted the pros and cons of each proposed budget scenario and the various budgetary line items contained in the staff report for this agenda item.

CM Fenichel asked about a 0.1% savings scenario for customers; Director of Customer Service Erica Torgerson detailed the reasoning behind the various budget scenarios, and her recommendation that savings of such a minimal percentage would not translate to significant savings nor would they necessarily be viewed favorably by customers.

CM Brophy asked if the 5-year budget forecast and assumptions for Fiscal Year 2019-2020 are based on the equal savings budget scenario, and CEO Syphers confirmed they are. CM Brophy then asked about having the Advanced Energy Center as a separate fiscal entity from SCP; CEO Syphers stated that may be possible at the end of the grant period should SCP wish to continue operating the Center.

CM Wells asked about the proposed Program Reserves for FY 19-20, and his support for not adding additional funds to Program Reserves given the existing funding in this category.

CM Nicholls expressed his support for continuing some level of customer savings, while also protecting against impacts to SCP's creditworthiness. Chair Dowd noted his support for the Committee's comments as well as modest savings for SCP customers over PG&E. CM Brophy detailed his support for the Equal Cost budget scenario and the higher cost scenarios, as there is value to ensuring that contributions are made to Operating Reserves. CM Baldwin stated support for the Equal Cost budget scenario. CM Sizemore voiced support for staff's recommendations. CM Wells suggested a scenario that includes contributions to Operating Reserves, maintains customer savings, and reduces Program Reserves.

Public comment:

Jerry Glaser, Sebastopol resident, spoke on EverGreen benefits and promoting as an option with local building codes.

George Uberti, Santa Rosa resident, spoke about the financial summary reports included in the meeting agenda packet.

CEO Syphers recounted the Committee's deliberations on this item, which included:

- Scenarios from 1.0% savings to 0.5% higher costs should be considered, with a majority of committee members favoring equal costs or 0.5% (or even less) savings. The Committee acknowledged that customers may not value savings of less than 1%, but there could be political value in having a tiny amount of savings.
- A one-year exemption of Financial Policy B2 would be acceptable, including shifting the planned net income into capital investments.

- Avoid negatively impacting SCP's credit. For example, by avoiding spending any Operating Reserve funds.
- Consider using some Program Reserves to invest in SCP's headquarters building, for example for the solar and battery system.

#### 5. Update on Default Time-of-Use Pilot and Full Default Time-of-Use Transition

Director of Customer Service Erica Torgerson introduced the item by providing background on Time-of-Use ("TOU"), including the 2015 CPUC decision establishing the transition to Time-of-Use or "TOU" rates for IOU's and reasons for the change from the tiered system. She then described the purpose of the pilot in greater detail, which is intended to test marketing, outreach strategies for customers, rigorously test the IOUs process for defaulting mass numbers of customers into a new rate in a compressed timeframe, rate comparison tools, bill protection, and customer understanding before a full default TOU transition. Following this, Director Torgerson detailed next steps in the TOU transition and a tentative schedule for bringing this item back to the CAC and BOD.

Chair Dowd noted the importance of TOU and the role that SCP can play in educating our customers about the new rates. CM Brophy asked how TOU rates could affect comparisons between SCP and PG&E rates; Director Torgerson stated that rate comparison shouldn't be affected. CM Nicholls detailed his positive experience as a TOU customer and bill savings under this rate.

Public comment: Jerry Glaser spoke about his experience as a TOU customer.

#### 6. Recommend Board Authorization for the CEO to Negotiate and Execute Agreement with NRTC to Provide Smart Thermostats for the GridSavvy Community

Senior Programs Manager Rachel Kuykendall presented on the item, which represents the first extension to the GridSavvy program. CM Nicholls asked about existing customers with smart thermostats like Ecobee and whether they could participate in the program; Senior Programs Manager Kuykendall stated that Ecobee is next on her list, but it would be difficult to fold this manufacturer into GridSavvy given how

propriety each technology is. CM Brophy asked about the \$46,000 in startup fees in the agreement and Senior Programs Manager Kuykendall detailed the line item costs. CM Wells asked how many thermostats may be distributed; Senior Programs Manager Kuykendall stated that the goal is for 500 thermostats.

Public comment: None

Motion to Recommend Board Authorization for the CEO to Negotiate and Execute Agreement with NRTC to Provide Smart Thermostats for the GridSavvy Community by CM Sizemore

Second: CM Baldwin

Motion passed: 8-0-0

#### **V. COMMITTEE MEMBER ANNOUNCEMENTS**

None

#### **VI. ADJOURN**

Chair Dowd adjourned the meeting at 3:48 p.m.

Respectfully submitted,



Beau Anderson  
Clerk of the Board