



**MINUTES
SONOMA CLEAN POWER AUTHORITY
BOARD OF DIRECTORS MEETING
THURSDAY, May 11, 2017**

I. CALL TO ORDER

The meeting was called to order at 8:47A.M. by Chair Okrepkie

Present: Chair Okrepkie, Vice Chair Hamburg, Directors Bagby, Torrez, Rogers, Schwartz, Landman, Slayter, Kearney and Hopkins

Director of Customer Service Erica Torgerson swore in new Directors Torrez and Hopkins.

II. BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve the minutes of the March 2 and April 13, 2017 meetings of the SCPA Board of Directors.

No motion to approve.

III. BOARD OF DIRECTORS REGULAR CALENDAR

2. Receive Operations Update and provide direction as appropriate.

Director of Public Relations and Marketing Kate Kelly gave an update on public outreach. She stated the second enrollment notice for Mendocino customers has gone out and good feedback is being received. She stated that the opt-outs for Mendocino County are at a little over 6% so far and 55 customers have chosen EverGreen. She stated that SCP is conducting a full-scale marketing campaign on EverGreen both in Sonoma and Mendocino Counties. She stated there is now an EverGreen Facebook Fan Page and thanked Community Advisory Committee member (CAC) Mike Nicholls for suggesting creating an EverGreen signature line for emails.

Public Comment: None

CEO Syphers stated SCP is ahead of schedule on revenues and a little lower on expenses. He stated that the March rate reduction will start to decrease the

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revenues and the year will end reasonably close to forecast on the revenue side and in good shape.

Director of Programs Cordel Stillman stated an email went out with the final evaluation of the Drive EverGreen Program and that there was good participation and the demographics worked out well with good representation. He stated that current phase two work includes putting out an RFP next week. Strong indications are being received from interested dealers and the plan is to run the program from August through October.

CEO Syphers stated that the Federal Tax Credit for electric vehicles could go away in 2018 so there is interest in having the program run again in 2017. He stated that this will be brought to the CAC for input.

CEO Syphers stated that in Sacramento on May 19 is the next CPUC en banc on Retail Choice and SCP will be the sole CCA representative.

Director of Public Affairs and Marketing Kate Kelly mentioned the Golden Hills Groundbreaking Event on May 24th. CEO Syphers stated the project includes removing 480 old-style turbines and replacing them with 20 new turbines that have more energy output than the previous models and a significant reduction in bird strikes.

Director Schwartz asked if and when staff could provide a table to compare reports to see where the most cost-effective investments are. Cordel Stillman stated he hopes to have more clarity on this as time goes on and will discuss with ad hoc CAC Committee.

Public Comment:

June Brashares: asked about obtaining the evaluations of past programs.

Director of Public Affairs and Marketing Kate Kelly stated that the Drive Evergreen evaluation is on the SCP website.

3. Receive Regulatory and State Legislative Updates and provide direction as appropriate.

General Counsel Steve Shupe spoke of the Symposium in Long Beach and complimented CEO Syphers for his discussion with CPUC President Picker. Counsel Shupe stated the PCIA is based upon what PG&E's costs are against the market price benchmark. He stated the proposal the IOUs put out on April 25 is called PAM and thinks there are numerous problems with the proposal. He stated CalCCA's attorney, Scott Blaising, is putting together a response and there is a plan to file one from SCP as well.

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Director Slater asked if the PCIA will stay in place until PAM or something else takes its place. Counsel Shupe stated yes.

Director Landman asked if CalCCA hired any media outreach or campaign to look at this. CEO Syphers said no one has been hired outside but we have a team that is assisting with public outreach. Counsel Shupe stated we cannot see the information that PG&E is using to create the calculation and one of the things that the IOUs have put out regarding PAM is that they realized they will have to provide more information. He stated that SCP is separately moving forward with a petition.

Director Rogers asked about stakeholder building and if there is a plan to pull in other groups to help with an additional push. CEO Syphers stated that once we have a clear proposal, that will be the key galvanizing force.

Director Slater asked about assigning contracts that have been signed by PG&E. CEO Syphers confirmed that is an option. Counsel Shupe stated an issue is that under the statute that allows CCAs to be created, the Board is responsible for procurement for the customers and this infringes on the BOD's authority.

Director Schwartz asked about the potential rate impact of PAM. CEO Syphers stated that the IOUs have claimed, in talking to the press, that our customers are paying 2/3 of the actual cost. He stated that if you increase our PCIA by 50% this would equal what IOUs are stating equals their costs. He noted that nothing in PG&E's proposal indicates they would do anything to minimize costs.

Director Landman asked if this process is unsuccessful, does this become a legislative issue. CEO Syphers stated that if any new market structure emerges out of this and if CCAs take contracts and hold them, there is probably a legislative element needed.

Public Comment:

Bill Mattinson: stated that LA County is going to take away more than a million customers from Southern California Edison. He asked if the newly formed CCAs are participating and can we join together and bring this out to the public. He stated that this is a rerun of the way the public responded to Prop 16 and now about 40% of CA has the opportunity to join and this may include getting new legislation.

CEO Syphers stated CalCCA is very active on this issue and all of the operating programs are participating on the issue of exit fees, including LA, even though not a voting member.

Katherine Brandenburg gave an update on the monthly report provided and stated that we have until May 26 before knowing more about where we stand.

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Public Comment:

Woody Hastings: stated he has been tracking SB 71 and SB 356 both of which have bearing on CCAs and also SB 700 which is an energy storage initiative.

Director Slayter stated that Thursday, May 18 at the Youth Annex in Sebastopol, Assemblyman Levine will be visiting from 3:00 – 5:00P.M.

Items 4 and 5 presented simultaneously

4. Approve budget for fiscal year 2017/2018.
5. Approve rates for fiscal year 2017/2018.

CEO Syphers stated that the proposed budget makes no changes to rates on July 1, with the intent of keeping rates unchanged through March of 2018. He stated that none of the numbers have changed other than new information on page 32 of the packet. He stated that the average customer rates remain almost 1% below than PG&E and that would produce estimated revenues to \$175.6 million including Mendocino customers. Staff recommended dedicating up to \$6 million of revenues to our programs and contributing an estimated \$12.7 million to reserves.

Director Schwartz asked about program interest. CEO Syphers stated Director of Customer Service Erica Torgerson is working on make community solar more accessible, but this could still take some time to get through the CPUC.

Public Comment: None

Director Slayter asked about fiscal year 2016/17 and what is surplus or carry over. CEO Syphers stated that all of surplus is subject to Financial Policy B2 and 85% of net income is moved into general reserves and 15% into reserves that are dedicated to program activity and there is no line-by-line carry over unless the Board specifically directs that.

Motion to approve proposed budget for fiscal year 2017/2018 and rates for fiscal year 2017/2018 by Director Kearney

Second: Director Slayter

Motion approved: 10-0-0

6. Approve contract for support to CSE workplace charging pilot support contract.

Director of Programs Cordel Stillman stated workplace charging solves a lot of problems regarding electric supply and range anxiety with electric vehicles. He stated the contract will look at 5-6 locations with large employers supporting 20-30 chargers at each location. He stated that CSE will assist with product procurement

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and also in contracting for construction of the stations. He stated that the results will help to get more traction in workplace charging throughout our service territory.

Public Comment:

Lauren Casey: stated that the Sonoma County Regional Climate Protection Authority is implementing a project to plan for high demand for EVs in the County and also assemble a database of prospective sites working with planning staff. Director Hopkins stated that she and Director Bagby serve on the Northern Sonoma County Air Pollution Control District and that there is possible funding that can be used for joint funding opportunities.

Motion to approve contract for support to CSE workplace charging pilot by Director Kearney

Second: Director Landman

Motion approved: 10-0-0

7. Revise previous direction to staff and offer incentive-based programs in Mendocino County during the 2017-2018 fiscal year.

CEO Syphers stated an agreement was made that no incentive-based programs would be offered in Mendocino during the first year of service with the rationale that there was likely to be a net cost to bring Mendocino in and SCP did not want that cost to impact existing customers. He stated that since Mendocino has joined there has been a very small net benefit to existing customers by expanding how much energy the agency needed to buy and being able to purchase some of that energy at a lower price so the average cost of energy has declined very slightly. He asked for direction from the Board and if the Board wants to reverse its position.

Public Comment: None

Motion to approve incentive-based programs in Mendocino County during the 2017/2018 fiscal year by Director Kearney

Second: Director Landman

Motion approved: 10-0-0

IV. BOARD MEMBER ANNOUNCEMENTS

None

V. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

Woody Hastings: thanked the Board and SCP for participation at the Business of Local Energy Symposium. He stated the highlight was the morning session with CEO Syphers and President Pickler of the CPUC.

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VI. ADJOURN (10:31A.M.)

Respectfully Submitted,

Braiden Gugel

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Executive Assistant