



**MINUTES  
BOARD OF DIRECTORS MEETING  
THURSDAY, July 6, 2017**

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**I. CALL TO ORDER**

The meeting was called to order at 8:44a.m. by Chair Okrepkie.

Present: Chair Okrepkie, Vice Chair Hamburg, Directors Peters, Bagby, Rogers, Belforte, Harrington, Landman, Slayter and Kearney.

Staff: Chief Executive Officer Geof Syphers, General Counsel Steve Shupe

**II. BOARD OF DIRECTORS CONSENT CALENDAR**

1. Approve the minutes of the March 2, April 13, and May 11, 2017 meetings of the SCPA Board of Directors.

Motion to approve the March 2, 2017 minutes by Director Kearney

Second: Director Rogers

Motion approved: 9-0-1(Director Landman abstained)

Motion to approve the minutes of April 13 and May 11, 2017 by Director Kearney

Second: Director Rogers

Motion approved: 10-0-0

**III. BOARD OF DIRECTORS REGULAR CALENDAR**

2. Receive Operations Update and provide direction as appropriate.

CEO Syphers updated the Board on outreach in Mendocino and stated that opt-outs are trending to about 12%. He stated that SCP added its name to the "We Are Still In" movement regarding the Paris Climate Agreement. CEO Syphers stated Peter Renfro resigned from the Community Advisory Committee, leaving ten members. A proposal will be brought to the August Board meeting for direction on the recruitment process. He stated the annual joint-rate mailer went out. CEO Syphers stated that SCP is a small percent over forecast on revenues and about 3.5% under on expenses which means SCP will have approximately \$15,000,000 to contribute to reserves at the end of the fiscal year.

Director Landman stated that he would like to see staff come back with a legislative platform for Board adoption to allow staff to continue to move quickly on legislative matters.

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Public Comment:

Bob Williamson asked if there was a problem defining how GHGs are measured or if there was a political reason GHGs are not currently published on the Joint Rate Mailer.

CEO Syphers stated that AB 1110 will define a standard method of reporting GHG emissions and that information will be published on the Mailer starting in 2020.

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

Kate Brandenburg stated the Governor and Legislature made deadlines of passing and signing the budget on time without any vetoes. She stated that a Cap-and-Trade bill is expected to pass out of the Assembly on Monday. She stated AB 33 was pulled and will be a two-year bill. CEO Syphers stated that AB 79 would require an update to the assumed emissions for electricity that comes from an unspecified source. Ms. Brandenburg updated the Board on AB 920, AB 1405, SB 71, SB100, SB618 and SB775. CEO Syphers added that yesterday we received language on AB 1184 which is an entirely new bill relating to proposing \$3 billion for EV incentives over the next ten years to be administered through the CPUC.

Public Comment:

None

Regulatory Affairs Manager Neal Reardon stated the CPUC voted to open a new rulemaking regarding the Power Charge Indifference Adjustment (PCIA) and that the Commission dismissed the utilities' Portfolio Allocation Methodology (PAM). He stated at the end of the month SCP will have an opportunity to respond to the scope of the proposed rulemaking which has an 18-month time frame. Counsel Shupe stated each year PG&E files an application with the CPUC to set the amount of the PCIA, called the "ERRA" filing, and we are preparing a protest related to exit fees within this filing. He also stated SCP assisted in drafting comments on the CPUC's staff proposal on integrated resource planning which asserts significant CPUC authority over SCP's procurement activities which are not justified. Regulatory Affairs Manager Reardon stated that CalCCA filed a petition to change the treatment of data. CEO Syphers introduced the in-coming CEO of East Bay Community Energy, Nick Chaset.

Public Comment:

Dick Dowd asked if staff can talk about what will happen with IOUs and the cost of energy.

Shupe stated we have made this argument previously and the problem right now is the utilities are maintaining their entire portfolios even as CCAs serve increasing portions of their load.

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4. Approve SCP participation in CPUC's Default Time-Of-Use Pilot, Customer Bill Protection, and related revenue reduction.

Director of Customer Service Erica Torgerson explained default time-of-use and its two parts. She stated the first was collapsing the tiers on the E1 rate as well as a plan to move customers from the E1 rate to a time-of-use rate. The three IOUs in the pilot have been instructed to move 5% of their E1 customers to a time-of-use rate. She stated we are looking for approval from the Board to participate in this pilot, which would move about 7,750 of SCP's E1 customers to this pilot in March of 2018. At that time, the customers would default into a new rate called E-TOU-C which will have a peak period from 4:00p.m. – 9:00p.m. seven days a week. No net metered customers or customers in Mendocino County would be included in the pilot. She stated there are two major issues with moving our customers to a default TOU rate which are the rate comparison tool and bill protection. She stated that from March 2018/19 this will cost SCP approximately \$103,000 and customers who end up paying more by going to E-TOU-C will automatically be credited the difference, which would create a net cost to SCP of about \$15,000 for this fiscal year.

Director Rogers asked how the 5% will be chosen. Director Torgerson stated that PG&E will randomly select customers.

Director Belforte asked about outreach for seniors and working people, who are busy. Director Torgerson stated that PG&E is required to send each customer a 90, 60, and 30-day notice. Director Harrington stated her concern over the effects on customers who pay more. CEO Syphers stated that in addition to returning any net increase in cost at the end of the pilot period, customers in the pilot will see a very small savings on average and the use of time-of-use periods will make rates easier to understand – costs are always lower in the middle of the day and higher at 4 PM, instead of increasing throughout the billing month period as customers move into higher tiers.

Director Rogers asked if it is possible to conduct the pilot quarterly instead. Director Torgerson stated that because customers would do much better during the winter, the concern was that everyone would opt-out during the winter and skip the summer which would defeat the purpose of the pilot.

Director Harrington asked about the purpose of pilot. Director Torgerson stated it will test outreach strategies, time-of-use rates, customer behavior, opt-out rates and new rates.

Director Bagby asked if there was an app for this. CEO Syphers stated we can do some research and find out.

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Public Comment:

Bob Williamson stated that the proposal seems thought out and we should keep this as simple as we can and it is important to communicate with our customers and we should not deviate from the wider PG&E pilot.

Motion to approve SCP participation in CPUC's Default Time-Of-Use Pilot, Customer Bill Protection, and related revenue reduction while excluding Mendocino by Director Landman.

Second: Director Rogers

Motion approved: 9-1-0

5. Approve customer incentives for the Drive EverGreen electric vehicle program.

Director of Programs Cordel Stillman introduced Programs Manager Rachel Kuykendall. Director Stillman explained to the Board the background for incentives for EVs and charging equipment. He stated that with this next program, SCP would like to include more vehicle options. He stated that after issuing the RFP, SCP received nine proposals and he added an addendum to the packet regarding used vehicles.

Director Hamburg asked if the Mendocino County Air Quality Management District can offer incentives. Director Stillman stated he contacted the District and they do not have the budget at this time but are interested in participating in the marketing of the program.

Director Landman asked for update of negotiations with dealers via email.

Director of Public Relations and Marketing Kate Kelly stated that for this program outreach will include website, vehicles, television, radio, outdoor billboards and direct mail which will be specifically targeted to CARE/FERA customers.

Dick Dowd stated the Community Advisory Committee had a lengthy discussion with staff regarding this program and unanimously support the program.

Public Comment: None

Director Slayter asked for advanced marketing for the Board to assist in getting the word out to let people know but to also hold off on purchasing something else.

Motion to approve customer incentives for the Drive EverGreen electric vehicle program by Director Slayter

Second: Director Rogers

Motion approved: 10-0-0

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*Director Rogers left the meeting at 10:40a.m.*

6. Approve contract with Sonoma County Water Agency to provide an educational program.

Director of Programs Cordel Stillman explained to the Board how this contract with the Sonoma County Water Agency (SCWA) would incorporate energy and climate issues into their existing programs and train their staff to conduct outreaches to 4<sup>th</sup> and 5<sup>th</sup> grades in all SCP service territories.

Director Landman asked how this fits into a best practice for SCP and customer funds.

CEO Syphers stated there are two responses that he recommends. He stated the first is the direct benefits of education and the changes that can occur over the years. He also stated that this agency has customers that can opt-out, unlike every other government agency in this county. SCP needs to be present in the community and educate who we are and the tangible benefits such as this program and seeing local projects get built. It builds the strength of this organization even if our rates are higher than PG&E.

Director Peters stated he has an issue with the cost of the program and the hourly rates. Director Stillman stated that they are weighted rates which include not only the hourly rate that the individual gets paid but the benefits and a share of rent, insurance, admin staff, etc.

CEO Syphers stated we need to look for opportunities to work with Mendocino service providers, contractors, attorneys, accountants and so forth, and we are looking for sites where generators of solar or wind could serve us through feed-in tariff.

Public Comment:

Bob Williamson stated that SCP can afford things like this with future benefits but the important thing is to make sure rates do not have to be higher than PG&E's to fund social programs and hopes rates can be reduced if needed.

Motion to approve contract with Sonoma County Water Agency to provide an educational program by Director Belforte

Second: Director Kearney

Motion approved: 7-2-0

7. Adopt Resolution authorizing investment of reserve funds with the Sonoma County Auditor-Controller-Treasurer-Tax Collector, approving the related Investment Agreement, and designating signatories.

Public Comment: None

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Motion to approve adoption of Resolution 17-001 by Director Kearney  
Second: Director Landman  
Motion approved: 9-0-0

**IV. BOARD MEMBER ANNOUNCEMENTS**

Chair Okrepkie mentioned the visit to the turbines and their efficiency.

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

None

**VI. ADJOURN (11:11a.m.)**

Respectfully Submitted,

*Braiden Gugel*

Braiden Gugel  
Executive Assistant