



**MINUTES
COMMUNITY ADVISORY COMMITTEE
Thursday, March 22, 2018**

I. CALL TO ORDER

The meeting was called to order by Committee Member Nicholls at 9:00 a.m.

Committee Members present: Guthrie, Chaban, Sizemore, Baldwin, Wells, Mattinson, Nicholls, Brophy and Como.

Staff present: Geof Syphers, Chief Executive Officer and Stephanie Reynolds, Director of Internal Operations

II. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

CM Nicholls mentioned the Redwood Fire Rebuild Expo in Ukiah on March 24. He stated that CM Guthrie was a leader at a Schools for Climate Action workshop at the Sebastopol Grange following a formal resolution supporting the student climate activists of the West Sonoma County High School District. CM Guthrie provided an update on Schools for Climate Action.

Woody Hastings welcomed new committee members and introduced Nina Turner, new Program Associate for the Center for Climate Protection.

CM Brophy asked about exposure that PG&E has with the fires, possible bankruptcy, and if SCP has looked into what the implications are.

CEO Syphers stated there is potential liability if the principle of inverse condemnation is upheld. This principle is based on the idea that since there is no other source of insurance that covers this scale of disaster, utilities can be held financially liable even if they are not otherwise culpable. He stated there is also an argument over whether a utility can recover damages from ratepayers when the utility is not at fault. He stated the effect on SCP of the delivery utility's financial liabilities would probably not be significant, but this is difficult to know.

Stephanie Reynolds, Director of Internal Operations requested that Item 6 be taken prior to Item 5. There were no objections from the committee.

Steven Pierce commended the work of the Committee and staff and stated there is a critical need for the SCP programs and he wants to see a programmatic roadmap and explicit, measurable criteria for evaluating programs. He asked if there was a Committee or Board decision to prioritize storage and would like more transparency on the programs.

CM Mattinson stated that there is a sub-committee directly working on these topics with the Director of Programs.

III. COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

1. Elect Chair and Vice Chair

CM Mattinson nominated CM Dowd as Chair for another term.
Second: CM Como

Public Comment: None

Motion approved: 8-0-0

CM Brophy nominated CM Mattinson for Vice Chair.
Second: CM Sizemore

Public Comment: None

Motion approved: 8-0-0

Newly appointed Vice Chair Mattinson began chairing the meeting at 9:15 a.m.

2. Review and approve the January 16, 2018 meeting minutes of the Community Advisory Committee

CM Brophy asked to have the word "earthquake" added to his comment on Page 10 of the minutes.

Public Comment: None

Motion to approve the minutes, as amended, of the January 16, 2018 Community Advisory Committee as amended by CM Baldwin
Second: CM Sizemore
Motion approved: 8-0-0

3. Receive Operations Report

Stephanie Reynolds, Director of Internal Operations provided an update on Customer statistics and outreach to member cities regarding upgrading municipal accounts to EverGreen. CEO Syphers asked for assistance in getting the message out and that signing up for EverGreen is one of the most cost-effective ways to cut emissions compared to other measures cities can take.

CM Nicholls asked about outreach to special districts and stated as being the president of a community services district he welcomes a presentation of SCP at a board meeting to discuss converting street lighting, fire protective services and park and recreation to EverGreen.

CM Como asked about other cities not going all-in with regards to EverGreen. Nate Kinsey, Account Executive explained that information was provided to all cities and he is waiting to hear back as the cities are evaluating their budget planning.

CM Brophy asked if there is a broader program that we can establish for EverGreen in terms of pushing it to businesses, large manufacturing companies, etc. CEO Syphers stated we have prioritized the broader marketing of EverGreen behind electric cars and other programs because of the success of those programs and the GHG value.

CM Brophy asked staff to provide a set of talking points to Committee members.

Director Reynolds stated that SCP won an approximate \$10 million grant from the California Energy Commission (CEC) that will span work over a three-year period.

CEO Syphers provided an update on RED (Renewable Enterprise District) and its purpose.

CM Baldwin asked if the RED is attached in some way to some other government agency so that the bond rating is sufficient to get low interest rate financing. CEO Syphers stated the purpose of the JPA is to shield liability to members' general funds. This also means there is no access to the credit ratings of member agencies. Currently, there are attorneys working on this topic.

Director Reynolds provided an update on the Energy Education

Program that the Sonoma County Water Agency is managing as an SCP contractor.

CM Nicholls asked for an update on the Golden Hills wind project at a future meeting.

CEO Syphers noted the budget comparison on Page 24. He stated the budgeted amounts on this table now reflect a corrected version. He stated that when first going through the process of deciding of whether to fund the Advanced Energy Rebuild, the Board was presented a "worst case scenario" to consider when making the decision to dedicate funds for fire relief. He stated this was accidentally interpreted as a change in the budget rather than a hypothetical. These figures are now corrected back to what they were previously in the Budget Comparison, and no changes were made to the Financial Statements.

CM Brophy asked about Noncurrent and Current assets on Page 19. CEO Syphers stated he will follow up with CM Brophy after discussing with the CPA.

Public Comment:

Woody Hastings commented on the status of existing programs and suggested a standard item on the operations report that would provide a brief update on existing programs.

Steven Pierce stated the cities switching to EverGreen could be a good interim strategy and while it is the easiest strategy to lower their GHGs, it does not result in significant savings. He stated this points to the critical need to get programs up and running so the cities can help fund these more cost-effective efforts.

4. Receive State Legislative and Regulatory updates

CEO Syphers provided an update on legislative activities and noted in particular AB 813, AB 1745 and SB 1136.

CB Hall, Compliance Analyst provided a regulatory update on the Integrated Resource Plan (IRP) and explained the high-level outline for IRP and the schedule for the process. He stated this will be re-done every two years.

CM Brophy stated he would like to see legislative goals no further than 10 years in advance.

Public Comment:

Woody Hastings stated the Center for Climate Protection is hosting the Clean Cars Campaign tonight in downtown Santa Rosa.

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Deb Emerson, Director of Power Services provided an update on the RFO that was initiated in January and stated 81 offers were solicited, some projects included storage and wind development. SCP is looking at long-term contracts.

Public Comment:

June Brashares asked about labor contracts.

Director Emerson stated all developers have contracts in place.

Item 6 taken out of order, prior to Item 5.

6. Review and make recommendation on Revised Financial Policy B.2, governing reserves

CEO Syphers provided an update on the Financial Policy B.2. and what staff proposes.

Vice Chair Mattinson read Chair Dowd's comments on this item in his absence.

CM Brophy asked about how we handle deposits that are on the books as collateral and can they be moved into this new reserve classification. CEO Syphers stated that he does not believe that is allowed and that needs to be held distinct and this will be verified.

Public Comment: None

Motion to approve recommendation on Revised Financial Policy B2, governing reserves by CM Brophy

Second: CM Nicholls

Motion approved: 8-0-0

5. Review and make recommendations on draft FY 18/19 budget and rates

CEO Syphers provided background on the Fiscal Year 2018-19 draft budget and customer electric generation rates. He explained the calendar for this process and provided budget scenarios.

CM Brophy stated he would look at 3% savings less than PG&E and recommends going with the 2.5% savings.

CM Wells suggested shifting customer programs lower so that there is more flexibility in the future.

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CM Chaban asked about opt-ins. Erica Torgerson, Director of Customer Service stated an average it is about 7%, mainly due to customers moving from one residence to another. She stated SCP's general marketing focus is in retaining current customers.

CM Brophy recommended writing a memo to the Board that describes and outlines the opinions and views of the Committee on the proposed budget.

CEO Syphers recommended the Vice Chair report out at the Board meeting.

After a significant discussion, the Committee members were polled to ask their preferences for setting the budget and rates to provide savings on total electric charges:

CM Guthrie: 2%
CM Chaban: 2%
CM Sizemore: 2%
CM Baldwin: 2%
CM Wells: 2%
CM Mattinson: 2%
CM Nicholls: 2.5%
CM Brophy: 2.5%

Public Comment:

Steven Pierce stated he would err on the side of simplicity.

Junes Brashares stated we should say we are a bit lower and her number is 1.5% as far as having adequate money for programs and we need the money for the future.

Motion to convey to the Board of Directors staff's recommendation of 2% and to support aggressive savings for customers by CM Baldwin

Second: CM Sizemore

Motion approved: 8-0-0

7. Review and recommend approval of new residential time-of-use rates

Director Torgerson provided background on the new, proposed residential time-of-use rates required to participate in a pilot program by PG&E.

CM Baldwin asked about the rate change of solar. Director Torgerson stated there are no solar customers involved in the pilot.

CM Nicholls asked about GridSavvy customers. Nelson Lomeli, Programs Specialist stated there are approximately 300.

Public Comment: None

Motion to recommend approval of new time-of-use rates by CM Wells

Second: CM Nicholls

Motion approved: 8-0-0

IV. COMMITTEE MEMBER ANNOUNCEMENTS

CM Sizemore asked if the meetings could be moved to the P.M. The Committee agreed to the change. Future meetings will generally start at 1:00 p.m. beginning in May.

V. ADJOURN

Vice Chair Mattinson adjourned the meeting at 11:48 a.m.

Respectfully Submitted,

Braiden Gugel

Braiden Gugel
Executive Assistant/Clerk