



**MINUTES
COMMUNITY ADVISORY COMMITTEE MEETING
WEDNESDAY, OCTOBER 24, 2018
1:00 PM**

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: Baldwin, Chaban, Como, Dowd, Fenichel, Mattinson, Nicholls, Sizemore, Quinlan, and Wells

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

II. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

None

III. COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

1. Approve September 27, 2018, CAC Meeting Minutes

Motion to approve minutes as amended by CM Nicholls.

Second: CM Quinlan

Motion passed 7-0-3 (CMs Baldwin, Sizemore, and Wells abstained)

Public comment: None

IV. COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

2. Receive Operations Report and Provide Input as Appropriate

Director of Internal Operations, Stephanie Reynolds, gave an update on SCP customer accounts affected by the 2017 wildfires. To date, SCP has provided almost \$500,000 in refunds and credits to accounts, and this is in addition to the \$1 million donated to wildfire causes over the last year. She then reminded the Committee that FPPC Form 700 filings are due in April and that staff will send

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out notices in early February. Director Reynolds stated that 303 vehicles have been purchased through the DriveEV program and that brings the 3-year program total to over 1,000 vehicles. An update was provided on the Advanced Energy Rebuild (AER) program, including a recent homeowner workshop at SCP which had over 35 participants. To date, there are 129 applicants for the AER program and these numbers are likely to increase as rebuilding efforts ramp up.

CM Mattinson then asked for an update on GridSavvy, and Program Manager Rachel Kuykendall stated that the chargers are actively dispatching and additional technologies will roll out late 2018 or early 2019.

Program Manager Chad Asay then provided an update on the Lead Locally Grant, and that staff is preparing to solicit volunteers for 16 residential homeowners to participate in the energy retrofit research program. Phase 2 of the program will include commercial properties, and this is slated for the 1st quarter of 2019.

Director of Internal Operations Stephanie Reynolds then stated that over 200 DIY toolkits have been checked out from local libraries in Sonoma and Mendocino counties, and 72 induction cooktops from SCP.

Program Manager Rachel Kuykendall detailed a recent presentation she made to the Santa Rosa City Council for their climate action plan study session. She stated that the Council is considering an amendment to their electrical code to require pre-wiring for electrical appliances in new housing, and in the longer term, an all-electric reach code amendment, which would mandate that all appliances should be high efficiency electric appliances. In addition, the Council is reviewing the benefits and costs of switching the City's electrical accounts to SCP's 100% renewable EverGreen service.

Director of Marketing and Public Affairs Kate Kelly stated that the Davey Awards has chosen SonomaCleanPower.org as a recipient of a Gold award for the best Government Website Experience of 2018, and Silver for Best Energy Website Experience. The Davey's are an international creative competition for independent agencies. Each year they collect over 4,000 creative entries, and each are judged by panelists from the Academy of Interactive and Visual Arts.

CEO Geof Syphers then provided additional details on the solar storage deal with NextEra that was recently finalized. This project includes 5 MW of battery storage, which meets and goes beyond all the required 2024 storage obligations for SCP's service territory. He then stated that preliminary financials are completed for the last fiscal year and that the completed audit will be presented at the next meeting. There was a net increase in SCP's position of \$13 million with

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expectation that about \$10 million will be available in cash to contribute to reserves.

CM Mattinson asked why NextEra is the only solar project under consideration for the future, and CEO Syphers explained that SCP customers currently have over 100 MW of solar and that better bulk storage options need to be developed to align with customer usage patterns.

CM Como then asked about the difference between customers who received courtesy credits and checks due to the 2017 wildfires, and Director of Customer Service Erica Torgerson clarified that credits were issued to customers who reestablished service with SCP and refunds were sent to those that moved outside SCP's service territory. CM Como then asked about PG&E's recent practice of shutting off power during instances of high wind or other conditions. CEO Syphers stated PG&E communicated with SCP in advance of the recent shutoff, and that a very small number of SCP customers were affected, but more shutoffs are expected in the near future.

Chair Dowd then referenced a Press Democrat article which detailed a restaurant having to buy a generator due to the shutoff and also individuals with medical problems, e.g., assisted breathing machines, having troubles. He asked staff about the communication process with PG&E. Director Torgerson stated that PG&E admitted that the process wasn't as smooth as they hoped and there were lessons to be learned. She added that she requested that PG&E notify SCP as early as possible in advance of any future shutoffs.

CM Baldwin asked why projected revenue is 2% below budget, and CEO Syphers said that type of error is nominal and can largely be attributed to weather. CM Baldwin asked why customer service is 40% below approved budget, and Director Torgerson stated this is due to less mailers going out to SCP customers than anticipated, as each mailer sent to all customers can cost around \$200k.

CM Quinlan asked why year-to-date revenue is below forecast, and CEO Syphers replied that this can be attributed to optimistic EverGreen enrollment numbers. Even though SCP hasn't reached revenue numbers, staff is in discussions with the City of Santa Rosa and the County of Sonoma to look at enrolling their municipal accounts to Evergreen.

Public Comment: None

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

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CEO Syphers gave an update on the recent California Public Utilities Commission (CPUC) Power Charge Indifference Adjustment (PCIA) decision which will significantly increase the PCIA fee beginning in January 2019. Because PG&E will not release the PCIA rate calculation and their generation charges until late December, a conditional rate adjustment proposal will be brought to the CAC and BOD at subsequent meetings. The PCIA decision will likely impact SCP in the following areas: reduced financial contributions to reserves, trimming the Programs budget, and reducing rate savings to customers. Although the decision isn't ideal, SCP is well-positioned financially and it is unlikely SCP will need to spend reserves in the next year as a result of the PCIA decision. CEO Syphers stated that with the enrollment of larger entities such as L.A. County into CalCCA, most lawmakers in California now represent CCAs, and that opens the door to legislative remedies to the PCIA. CEO Syphers then highlighted that the CPUC Commissioners went against the assigned judge's proposed decision and voted for Commissioner Peterman's alternate decision.

Public comment:

Woody Hastings, Center for Climate Protection, spoke in favor of regulatory and administrative remedies for the PCIA fee.

Finally, CEO Syphers detailed how SCP (along with many electricity providers across the state), may have to file a request for a waiver for the agency's year-ahead Resource Adequacy obligations. This can be attributed to a lack of Resource Adequacy offered in the market, including a decision by PG&E to not offer significant amounts of RA until after the compliance deadline.

4. Receive Update and Discussion on 431 E Street; Delegation of Authority to CEO to Execute Amended and Restated Agreement with EHDD

Director of Programs, Cordel Stillman, updated the Committee on the design features, site plan, and energy storage options for 431 E Street.

CEO Syphers discussed the possibility of operating the building so it does not require net metering by internalizing all of its energy use, and how the concept could serve as a template for micro-grid projects.

CM Mattinson asked about the proposed battery storage, and whether it will be fed by onsite solar; Director Stillman confirmed that there will be solar arrays.

CM Mattinson then asked about the estimated budget and any potential reductions to the scope of work due to the PCIA decision. CEO Syphers stated

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that the goal is to make the building itself competitive with other buildings in the market, and items like battery storage or solar could be considered as educational elements and customer programs. CM Mattinson expressed his gratitude that the project can be modified as-needed should budget constraints arise.

Director of Programs Stillman then introduced the amended agreement for design services with EHDD for a not-to-exceed amount of \$1.2 million. The amended agreement covers all of EHDD's work to date, detailed design through the construction phase, assistance with construction documents, and during construction, and review of contractor submittals to verify specifications.

Motion by CM Baldwin to recommend that the Board authorize the Chief Executive Officer ("CEO") to negotiate an Amended and Restated Professional Services Agreement with EHDD up to a maximum total not-to-exceed amount of one million, two-hundred and eighty-five thousand, five hundred and fifty-one dollars (\$1,285,551) for full scope design services for 431 E. Street covering all design work including schematic design through construction, and;

Recommend that the Board delegate authority to the CEO to execute such an Amended and Restated Agreement in a legal form approved by the General Counsel, as well as other related documents necessary to administer the Agreement, including subsequent amendments that do not change the Agreement's price or term, provided such documents are in a form approved by the General Counsel and are otherwise consistent with SCP's Joint Powers Agreement and Board-adopted policies.

Second: CM Sizemore

Motion passed: 10-0-0

Public comment: None

5. Recommend Board Approval of an Amended and Restated Power Purchase Agreement with Cloverdale Solar Center, LLC under the ProFIT Program and Delegation of Authority to the CEO to Execute such PPA and Related Documents on Behalf of SCP

Power Services Manager Rebecca Simonson introduced the Amended and Restated Agreement, which includes an updated project operational date and clarification on the bonus payment structure. The PPA allows for an extension of the project operational date due to permitting or interconnection delays, and following SCP review, staff recommends accommodating the request.

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Motion by CM Mattinson to recommend to Board to approve an amended and restated Power Purchase Agreement with Cloverdale Solar Center, LLC under the ProFIT Program and delegation of authority to the CEO to execute such PPA and related documents on behalf of SCP.

Second: CM Nicholls

Motion passed: 10-0-0

Public comment: None

6. Recommend Board Adoption of Resolution Supporting and Agreeing to Become a Signatory to the Bay Area Air Quality Management District Diesel-Free by '33 Statement of Purpose

Director of Internal Operations, Stephanie Reynolds, provided background on the item, which was requested by Director Slayter at the August BOD meeting. General Counsel Mullan drafted the resolution.

Motion to support resolution by CM Quinlan.

Second: CM Baldwin

Motion passed: 10-0-0

Public comment: None

7. Discussion regarding the Power Charge Indifference Adjustment; Review, Comment and Recommend Board Action Concerning Rate Adjustments

CEO Syphers stated that this item is just for discussion and a more detailed proposal will be brought at the next CAC meeting. He stated that a conditional rate adjustment would be brought forward if SCP customers are found to be paying more with SCP than PG&E after January 1, 2019. Should a rate change need to take effect, staff is targeting February 1, 2019 for the effective date. Following CAC discussion, CEO Syphers stated that staff will bring one or more proposals to the CAC concerning rate adjustments at the next meeting.

Public comment: None

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V. COMMITTEE MEMBER ANNOUNCEMENTS

None

VI. ADJOURN

Chair Dowd adjourned the meeting at 2:53 P.M.

Respectfully submitted,

A handwritten signature in blue ink that reads "Beau Anderson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Beau Anderson
Administrative Services Officer/Clerk