



**MEETING MINUTES
BOARD OF DIRECTORS MEETING
THURSDAY, JANUARY 7, 2021
8:45 A.M.**

******GOVERNOR'S EXECUTIVE ORDER N-25-20******

******GOVERNOR'S EXECUTIVE ORDER N-29-20******

****RE CORONAVIRUS COVID-19****

CONSISTENT WITH THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20 WHICH SUSPEND CERTAIN REQUIREMENTS OF THE BROWN ACT, AND THE ORDER OF THE HEALTH OFFICER OF THE COUNTY OF SONOMA TO SHELTER IN PLACE TO MINIMIZE THE SPREAD OF COVID-19, MEMBERS OF THE BOARD OF DIRECTORS PARTICIPATED IN THE JANUARY 7, 2021 MEETING BY TELECONFERENCE.

I. CALL TO ORDER

Chair Slayter called the meeting to order at approximately 8:47 a.m.

Board Members Present: Chair Slayter, Vice Chair Bagby, and Directors Fudge, Gjerde, Hopkins, King, Landman, and Schwartz

Staff Present: Geof Syphers, Chief Executive Officer; Mike Koszalka, Chief Operating Officer; and Harriet Steiner, Special Counsel

II. BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve December 3, 2020 Draft Board of Directors Meeting Minutes
2. Authorize the Chief Executive Officer to Execute an Agreement With, and Subsequent Amendments, with Enel X North America with a Total Not-to-Exceed Amount of \$530,000 through December 31, 2021

Public Comment: None

Motion to Adopt the January 7, 2021 Consent Calendar by Director Gjerde

Second: Director King

Motion Passed by Roll Call Vote: 8-0-0 (*Director Schwartz abstained from approval of Item #1 on the Consent Calendar*)

III. BOARD OF DIRECTORS REGULAR CALENDAR

Director Harrington joined the meeting at approximately 9:01 a.m.

3. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate

Director of Planning & Analytics Rebecca Simonson introduced the item by noting that a 1 MW ProFit solar project outside of Petaluma, CA., became operational on December 31, 2020, and is now producing local and renewably sourced energy for EverGreen customers. Director of Programs Cordel Stillman gave an update on the SCP Headquarters project and status to date; similarly, Programs Manager Chad Asay provided a project update on the Lead Locally grant and construction progress at the Advanced Energy Center. COO Mike Koszalka then reviewed the October Monthly Financial Statements.

Director Landman expressed concern about SCP banking with Poppy Bank, noting one of its owners has sued the SCP member jurisdictions for banning natural gas from new homes. Director Landman asked staff to bring an agenda item to a future meeting to discuss SCP's investments to ensure any investments reflect SCP's goals & values as an organization; Vice Chair Bagby and Directors Fudge, Harrington, King, and Schwartz noted their support for a future item on this topic.

Public Comment: Kevin Conway spoke in support of divesting investments away from Poppy Bank.

4. Receive Legislative and Regulatory Updates and Provide Direction as Appropriate

Director of Regulatory Affairs Neal Reardon spoke on the Power Charge Indifference Adjustment proceedings, and following this, CEO Syphers gave a legislative report on select bills that are under analysis by SCP, including AB 33 (Ting), AB 64 (Quirk), SB 18 (Skinner), SB 30 (Cortese), SB 31 (Cortese), and SB 99 (Dodd).

Public Comment: None

Director Rogers joined the meeting at approximately 9:30 a.m.

5. Receive and Accept Annual Report

Director of Marketing & Public Affairs Kate Kelly presented SCP's Annual Report, which highlights SCP's accomplishments, notable events, and new programs from the 2020 calendar year.

Public Comment: None

6. Approve Reduced Generation Rates for Implementation on February 1, 2021 and Approve Conditional Rate Adjustments to Adjust Generation Rates Within Certain Guidelines through June 30, 2021

COO Koszalka introduced the item by providing background on PG&E's historical practice of issuing new rates with limited notice, impacts of the Power Charge Indifference Adjustment Fee ("PCIA"), and previous Board action to establish an Operating Account Fund for the purposes of customer bill stabilization. He then described recent forecasting of PG&E's PCIA fee and generation rates that determined SCP customers' total bills would be significantly more than PG&E Bundled customer bills starting January 1, 2021 unless SCPA reduced its generation rates. COO Koszalka detailed staff's recommendations for conditional rate adjustments and the use of up to \$6 million from the Operating Account Fund for Bill Stabilization to ensure rates remain within 5% of PG&E's bundled rates.

Director Gjerde suggested increased messaging around the adverse impacts of the increase in the PCIA fee to SCP's customers. Similarly, Directors Fudge & King stated their support for customer messaging around use of the Operating Account Fund to demonstrate the extent of SCP's efforts to maintain competitive rates; Director Landman cautioned against advertising this subject given its somewhat complex and technical nature. Vice Chair Bagby welcomed increased outreach around staff's efforts to stabilize rates despite the volatility of the PCIA, as well as upcoming contractor training opportunities and emerging technologies featured at the Advanced Energy Center.

Public Comment: None

Director Landman made a motion to:

- 1) Approve new rates shown in Addendum 1 to be implemented February 1st, 2021; and
- 2) Approve further conditional rate adjustments that respond within 30 days to PG&E rate and fee changes as follows:
 - a. Set SCP rates to ensure customer bills remain within 5% of bundled service bills while subsidizing rates with no more than \$6M from the Operating Account Fund through June 30, 2021.
 - b. If condition #2a is not met, set SCP rates such that \$6M of the Operating Account Fund is forecast to be used through June 30, 2021 and return to the Board for further direction.

Second: Director Gjerde

Motion Passed by Roll Call Vote: 10-0-0 (*The Addendum referenced in this motion is available by request from the Clerk of the Board.*)

Chair Slayter called a recess at approximately 10:27 a.m.; Chair Slayter called the meeting back to order at approximately 10:37 a.m.

7. Discuss EverGreen Local Resource Public Workshop #1

Director of Planning & Analytics Rebecca Simonson introduced the item by detailing the Local Resource Plan, which will establish what local resources needed to be invested in and developed to meet the growing demands of EverGreen customers. She then provided a recap of the Public Workshop for the Local Resource Plan that was held on December 1st. Director Simonson detailed how the workshop focused on priority setting for the EverGreen product & local development and received significant public participation and feedback on the following topics: preferences for types of renewable resources, locations, land use, labor and cost; suggestions to improve the existing EverGreen product; resources to improve reliability and Public Safety Power Shutoff Resiliency; and input on improving the participation and inclusion of underserved communities. Following this, she described next steps in the process for the development of the Local Resource Plan.

Director Hopkins noted her interest in biomass resources, especially as it relates to vegetation management and fire-risk reduction. CEO Syphers stated his support for continued examination of this resource but cautioned that additional analysis would be necessary to verify that it would deliver net benefits, noting significant public comment in opposition to biomass. Director King noted his support for increased wind resources, battery storage, and opportunities for additional solar on commercial & municipal buildings as well as in designated open spaces.

Public Comment:

Patrick Carter from the City of Petaluma spoke in support of subsidizing the EverGreen program for low-income customers to promote equity and combat the climate crisis.

Kevin Conway shared his experience as an EverGreen customer and the value of the program in ensuring 24/7 green energy.

8. Adopt a Resolution Approving the California Community Power Agency Joint Powers Agreement and Authorize the CEO to Execute this Agreement with any Minor, Nonsubstantive Modifications also Approved by SCPA's Special Counsel

CEO Syphers introduced the item by recounting previous Board and Committee meetings on the subject. He then described the scope, purpose, and current member composition of the proposed JPA for joint procurement.

Public Comment: None

Motion to Adopt a Resolution Approving the California Community Power Agency Joint Powers Agreement and Authorize the CEO to Execute this Agreement with any Minor, Nonsubstantive Modifications also Approved by SCPA's Special Counsel by Director King

Second: Director Harrington

Motion Passed by Roll Call Vote: 10-0-0

9. Receive Report on the Potential Use of Microgrids to Reduce Distribution Costs and Fire Risks in Certain Remote Areas and Delegate Authority to the CEO to Authorize PG&E to Complete a Limited Number of Pilot Projects

CEO Syphers detailed a proposed microgrid project by PG&E that could be used in-lieu of replacing fire-damaged grid infrastructure in remote areas of SCP's service territory, which potentially has a benefit of reducing fire risk and distribution charges for all ratepayers. He then noted the nuances of the proposal, as it would effectively remove customers from SCP's territory, but could serve as a model for remote microgrid projects. CEO Syphers described his support under very limited circumstances, i.e., as a project that does not establish precedents, involves direct communication with customers, and that prioritizes clean energy sources.

Chair Slayter asked staff to clarify the size of the proposed projects in MW and the type of energy sources that would be utilized; CEO Syphers stated the Board's authorization would be limited to a total of 100 MW of customer load in aggregate across all projects, and there is a strong likelihood of fossil-fuel resources for backup purposes, but he would advocate for clean energy alternatives.

Director King asked if PG&E would be able to unilaterally proceed without SCP's agreement; CEO Syphers described that this is a legal grey area, but with CPUC requirements wherein PG&E is obligated to provide power, PG&E may be able to proceed without cooperation from SCP. He also noted that SCP has an interest in ensuring these customers have power and the potential benefits in developing a microgrid pilot project.

Public Comment: Kevin Conway spoke in support of the proposed microgrid project with PG&E.

Director Schwartz left the meeting at approximately 11:47 a.m.

Motion to Delegate Authority to the CEO to Authorize PG&E to Complete a Limited Number of Microgrid Pilot Projects as Described in the Staff Report for this Item by Director Landman

Second: Vice Chair Bagby

Motion Passed by Roll Call Vote: 9-0-0

IV. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

None

V. BOARD MEMBER ANNOUNCEMENTS

Chair Slayter encouraged efforts to sustain democratic norms.

VI. ADJOURN

Chair Slayter adjourned the meeting at approximately 12:02 p.m.

Respectfully submitted,



Beau Anderson
Clerk of the Board