



**MEETING MINUTES
BOARD OF DIRECTORS MEETING
THURSDAY, OCTOBER 3, 2024
9:00 A.M.**

CALL TO ORDER

(9:06 a.m. - Video Time Stamp: 00:02:18)

Vice Chair Barnacle called the meeting to order.

Board Members present: Chair Hopkins, Vice Chair Barnacle, Directors Lands, Elward, Zollman, Farrar-Rivas, Strong, Gjerde and Alternate Director Ford. Directors Rogers and Fudge were absent with prior notice.

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Garth Salisbury, Chief Financial Officer; Miles Horton, Legislative Policy & Community Engagement Manager; Erica Torgerson, Managing Director of Customer Service; and Josh Nelson, Special Counsel.

BOARD OF DIRECTORS CONSENT CALENDAR

(9:07 a.m. - Video Time Stamp: 00:03:24)

1. Approve October 3, 2024, Draft Board of Directors Meeting Minutes
2. Approve Resolution 2024-01 Naming a Sonoma Clean Power Authority Treasurer
3. Approve Resolution 2024-02 to Join the California Community Choice Financing Authority as an Associate Member and Subsequently to Apply to be a Founding Member
4. Approve the Proposed Revisions to Financial Policy B.2 - Financial Reserves, and Approve the Deferral of Funds into the Rate Stabilization Fund
5. Approve the Proposed Updated Financial Policy B.5 - Investments
6. Approve the Amendment to Sonoma Clean Power's A.3 - Late Payment Noticing, Transfer of Service, Pre-Collection Noticing, Collection and A.4 - Information Technology Security Policy
7. Receive Geothermal Opportunity Zone Update

8. Approve Continued Use of Updated AG-5-B and AG-5-E Rates Effective October 1, 2024
9. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate
10. Receive Legislative and Regulatory Updates, Approve Legislative Positions, and Provide Direction as Appropriate

Item 5 was pulled to the November 7, 2024, Board of Directors Meeting.

Miles Horton, Legislative Policy & Community Engagement Manager, stated that Governor Newsom signed AB 1359 (Papan). This bill modifies an existing law specifying that the California Division of Geologic Energy Management must serve as lead agency under the California Environmental Quality Act for all geothermal exploration projects. Chair Hopkins and Director Farrar-Rivas thanked and congratulated SCP.

Public Comment: None

Motion to approve the October 3, 2024, Board of Directors Consent Calendar by Director Lands

Second: Director Barnacle

AYES: Lands, Ford, Barnacle, Elward, Zollman, Farrar-Rivas, Strong, Gjerde, Hopkins

ABSENT: Rogers, Fudge

BOARD OF DIRECTORS REGULAR CALENDAR

11. Approve a Five-Year Contract with Sacramento Municipal Utility District for Data Management, Billing, and Contact Center Services

(9:12 a.m. - Video Time Stamp: 00:08:47)

Erica Torgerson, Managing Director of Customer Service, thanked staff for their work on this item and discussed the Sacramento Municipal Utility District (SMUD) and its history. Director Torgerson also discussed SMUD's customer satisfaction ratings, SCP's history using Calpine Energy Solutions' billing, data management services, and call center software. Geof Syphers, CEO, discussed SCP's internal call center and the great work that they do. Managing Director

Torgerson explained why SCP is making the change from Calpine to SMUD and stated this contract is not the first time that SCP has worked with SMUD, and that SCP has been very happy with their work in the past. Managing Director Torgerson said that many CCAs are already SMUD clients, and she recommended approval.

Director Zollman stated that diversity is important as well as bilingual services. Managing Director Torgerson stated that all of SCP's Customer Service Representatives are bilingual, as well as SMUD offering bilingual services. Director Farrar-Rivas asked how long the process of implementation would take and Managing Director Torgerson said that there would be a 6 to 9 month lead up and a 1 month change over. CEO Syphers added that the complexity of billing is what makes the timeline so long.

Public Comment: Crispin Hollinshead and Spencer Lipp approved of the Contract with SMUD in the attached public comments.

Motion to approve a five-year contract with Sacramento Municipal Utility District for data management, billing, and contact center services by Vice Chair Barnacle

Second: Director Elward

AYES: Lands, Ford, Barnacle, Elward, Zollman, Farrar-Rivas, Strong, Gjerde, Hopkins

ABSENT: Rogers, Fudge

12. Approve Proposed Resolution 2024-03 which Authorizes the Execution and Delivery of a Clean Energy Purchase Contract and Other Documents in Connection with the Issuance of the California Community Choice Financing Authority Clean Energy Project Revenue Bonds

(9:30 a.m. - Video Time Stamp: 00:26:34)

CEO Syphers introduced this item by discussing California Community Choice Financing Authority Clean Energy Project Revenue Bonds (Prepay), introduced Garth Salisbury, CFO, and explained that the reason SCP needed to move quickly was because of the potential falling interest rate market and the fact that other CCAs were also moving on implementing prepay. CFO Salisbury introduced himself and gave a presentation on Prepay.

Chair Hopkins added that this will allow SCP to do more. Director Zollman stated that he was confused because SCP is not a security, CFO Salisbury agreed that it is confusing and explained how the transactions work by stating they are prepayment so after the issuance the bond proceeds go to the supplier, and CEO Syphers added that there is a special provision in tax law that specifically allows public agencies to utilize prepayment. Alternate Director Ford asked if the future savings were related to future energy prices, and CEO Syphers explained how this particular transaction would sustain savings for the term of the first bond because it is connected to the fixed-price contracts. Director Farrar-Rivas asked who else besides Goldman Sachs issues prepay and what are the issuance costs. CFO Salisbury answered that SCP had done a request for proposals and the two others were the Royal Bank of Canada and Morgan Stanley. He further explained that they all have high credit ratings, and the issuers will receive a percentage of the issuance cost as well as fixed fees. Director Elward asked what happens if the market crashes, and CFO Salisbury responded that prepay is interest rate sensitive and not tied to the stock market, adding that prepay does better when interest rates are high. Director Gjerde asked who the end buyer was, and CFO Salisbury answered that there is a lot of flexibility. Director Farrar-Rivas asked about succession planning, especially if CFO Salisbury wasn't here to manage these sorts of transactions. CEO Syphers responded that both Chris Golik, Revenue Manager, and he attended the prepayment meetings as well. CFO Salisbury added that other CCAs are getting educated on the process as well.

Public Comment: None

Motion to approve proposed Resolution 2024-03 which authorizes the execution and delivery of a clean energy purchase contract and other documents in connection with the issuance of the California Community Choice Financing Authority Clean Energy Project Revenue Bonds by Vice Chair Barnacle

Second: Director Farrar-Rivas

AYES: Lands, Ford, Barnacle, Elward, Zollman, Farrar-Rivas, Strong, Gjerde, Hopkins

ABSENT: Rogers, Fudge

13. Reduce Agency Expenses by an Estimated \$46 Million for the Six-Year Period from 2025 through 2030 by Accepting an Allocation of Energy from the Diablo Canyon Nuclear Power Plant

(10:08 a.m. - Video Time Stamp: 01:04:53)

CEO Syphers gave background on why the Diablo Canyon Nuclear Power Plant was ordered to extend operations by Governor Newsom due grid reliability concerns following the severe heat event of 2022. Chair Hopkins stated that it was unfortunate that the State of California has put SCP in the position of having to accept an allocation from the Diablo Canyon Nuclear Power Plant (Diablo Canyon) and then asked CEO Syphers to discuss options on taking the allocation. CEO Syphers discussed the requirements and explained the options for the Diablo Canyon allocation of energy, and he recommended the Board support taking the allocation, but he acknowledged that it is a hard decision.

Vice Chair Barnacle stated that this request is unfortunate, he expressed skepticism that Diablo Canyon would close in 2030, and he expressed a need for SCP to look at more baseload renewables and find solutions to closing Diablo Canyon. CEO Syphers agreed that SCP needs to help the state find a pathway to finance transmission lines, work on the planning and permitting process, invest in battery technology, and make transmission more robust to uncertainty. Director Zollman stated that this decision is distressing and would like bullet points to better explain to his constituency. Director Elward would like clear information so she can explain it to her Council and constituency. Director Farrar-Rivas stated that it is important for SCP to have a plan, but she said that customers are also supportive of cost savings, and she added that SCP should discuss next generation nuclear. Alternate Director Ford asked how nuclear is presented on the power content label and Managing Director Torgerson stated that additional language can be added but nuclear must be shown. Director Barnacle asked what other agencies are doing and CEO Syphers stated that Ava, MCE, Silicon Valley, and Peninsula Clean Energy have all accepted the allocation, and Redwood Coast Energy Authority has yet to take a position. Vice Chair Barnacle then asked if a multi-CCA letter could be drafted pushing for the closure of Diablo Canyon. Chair Hopkins expressed an interest in advocating for decommissioning Diablo Canyon, pushing for advocacy on GeoZone, and she requested staff draft a resolution calling for Diablo Canyon's closure by 2030.

Public Comment: David Hahn, Diego Garcia, Geoffery Leonard, Jane Palmer, JP Como, Ryan Pickering, Crispin Hollinshead, and Patricia Amaya all expressed support for taking the energy allocation from Diablo Canyon, their comments are attached to these minutes. Tom Conlon discussed the Power Content Label, and his comment is attached.

Motion to reduce agency expenses by an estimated \$46 Million for the six-year period from 2025 through 2030 by accepting an allocation of energy from the Diablo Canyon Nuclear Power Plant with an amendment to review SCP's policy platform and place wording int it to work towards closing Diablo Canyon and direction to staff to draft a resolution requesting the closure by Vice Chair Barnacle

Second: Director Lands

AYES: Lands, Ford, Barnacle, Elward, Zollman, Farrar-Rivas, Strong, Gjerde, Hopkins

ABSENT: Rogers, Fudge

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

(10:54 a.m. - Video Time Stamp: 01:50:42)

Director Farrar-Rivas announced that the City of Sonoma Public Works Department just bought 2 EVs and a charging station. Alternate Director Ford announced that Cotati was building a Tesla supercharger hub. Vice Chair Barnacle stated that transit ridership had increased 60% in Petaluma and announced the Luma Go ridership program. Chair Hopkins announced Clean Air Day, the Week Without Driving, and the Russian River Pride Parade.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(10:57 a.m. - Video Time Stamp: 01:53:21)

Public Comment: Tom Conlon discussed SCP's Energy Reserves and excess funds, and his comment is attached to these minutes.

ADJOURN

(11:00 a.m. - Video Time Stamp: 01:56:39)

The meeting was adjourned by unanimous consent.

Respectfully Submitted,


Darin A. Bartow, JD
Clerk of the Board

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