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50 Old Courthouse Square, Suite 605
Santa Rosa, CA 95404

SONOMA CLEAN POWER -- BUSINESS OPERATIONS COMMITTEE (BOC)

Record of Proceedings for February 26, 2014

I. CALL TO ORDER:

Meeting called to order at 9:00 A.M. by Chair Briski.

Attendance:

Susan Briski, Harry Davitian, Michael Gogna, Bill Mattinson, Paul Brophy, CEO Geof Syphers, SCPA Regulatory Director Kelly Foley, SCP Executive Assistant Stephanie Reynolds, SCP staff and over twenty members of the public present.

Key Points from this Meeting:

- BOC encourages educating the public of net metering limitations that could become more problematic if statewide rules are changed.
- Budget review/financial planning: Staff provide info such that the BOC can understand how the business is performing as well as funds available for energy efficiency and other programs.
- Post formal response to public input from three workshops.
- Expand outreach presentation team.
- Bilateral agreements vs. RFPs: Discuss appropriate use of each at relevant times in decision-making. Ensure transparency and avoid favoritism.
- Feed-in Tariff (FIT): Test this against the resource planning philosophy and criteria, including the JPA goals and proposed metrics.
- Resource planning criteria: Continue to develop and articulate concepts, philosophy, and criteria to be used in resource planning decisions.
- Adjust resource planning philosophy diagram to include fiduciary and regulatory responsibilities.
- Provide preliminary costs on possible programs.

II. REGULAR CALENDAR

Report and discussion of public workshops, program ideas and early feedback and criteria for assessing program options.

CEO Syphers announced locations and times for next BOC meetings, with a note that the April meeting will be held in the afternoon and at a different location in response to public requests for later meetings. Dates and times had been posted on the SCP website.



Current status of opt-out and EverGreen accounts reviewed. Data was reviewed by SCP staff and Noble Americas representatives to compare responses to Noble's experiences with other programs. As of the meeting date, about 5.1% (1220 individual) of accounts had opted out. Those numbers representing about 3% of load and 3% of unique customers. SCP has a goal of approximately 80% of the load of Phase 1 staying in the SCP program.

The origin of the forecast that 20% load would ultimately opt out is from experience by Marin Clean Energy. Kelly Foley noted that the 20% estimate is also a well-known metric used by utilities.

EverGreen sign ups at 153 accounts, with outreach solely by word of mouth. CEO Syphers thanked the Climate Protection Campaign and others for continued outreach on behalf of SCP and the EverGreen program.

SCP's intention is to hold off on paid EverGreen marketing until a baseline of the load to be served is established. Current EverGreen signups are split between residential and commercial accounts.

Report out on public workshops. Two of three workshops had been held by the BOC meeting date. The City of Sonoma meeting had over 50 present. Questions were relevant and informative. The Santa Rosa workshop had over 70 present. The Sebastopol meeting is to be held on 3/1 from 10A.M. - Noon. Attendees at the first two workshops were primarily residential customers with good information and helpful questions, concerned about environmental issues, SCP goals, and interested in increased solar production.

The phasing is still requiring explanation, and can be confusing. Customers opting out say they are doing so for a variety of reasons, including concerns over system reliability (which will not change under SCP) and a general dislike of the opt-out nature of the program.

Questions about power content label and greenhouse gas emissions factor by Chair Briski. Is there information on adjusted greenhouse gas emissions to provide to businesses? CEO Syphers responded that we have information on our website on the power sources page. Kelly Foley is working on a method of reporting power sources that complies with regulations. Because SCP has no historical power deliveries to verify, state regulations are unclear on how to report emissions.

Discussion on EverGreen for commercial accounts. CEO Syphers noted that the premium is \$0.035 per kilowatt-hour is for all customers. He also noted that EverGreen customers pay the full additional cost for local renewable power, meaning that there is no subsidy from other SCP customers. EverGreen customers may be polled in the future to learn what next steps interest them most.



Net metering discussion held. Detailed questions that come up at the public meetings are normally taken off-line to dedicate time to the responses.

CM Davitian expressed concern on informing the public on how long the program will be provided and what the future of the NEM program will be. CEO Syphers responded that there is a fiscal reality in that SCP could not support the entire county if most of the customers were to sign up on the net metering program, but noted that there is still a lot of room to add significant volumes of solar power before that is a problem.

Discussion on the State of California's current cap on net metering. PG&E is providing what it considers to be a subsidy on the distribution side of NEM accounts. It was noted that transparency to customers will be critical if SCP reaches the point where the program would be limited or discontinued. PG&E, CPUC and CAISO will be involved in establishing a new cap on NEM participation in the future. SCP will be tracking the data on the cost of its NEM customers to the program and make any adjustments in the future, if necessary.

One other interesting idea received from the meeting included on-bill repayment programs (for retrofits, solar installations, electric cars, etc.), unfortunately there are no current programs with good track records to study yet. Idea to be revisited and research to be done.

A number of attendees at the workshops were interested in electric vehicles and an increase in charging stations for the County. Electric vehicle use is one of the few areas available that would add load and income for SCP and also provide a decrease in greenhouse gas emissions. Question by CM Davitian whether SCP has the ability to become involved in these types of programs and if there would be a benefit. CEO Syphers stated SCP is in discussion with PG&E, SCTA/RCPA, SCEIP and others on shared programs that would mutually benefit.

Bill Mattinson expressed the need to know how much SCP has to spend before planning of new programs. More rough cost estimates of potential programs is needed.

Chair Briski requested that staff prepare a response to input received at the workshops in memo form or similar and distribute the information and post to the website. CEO Syphers acknowledged that staff will be preparing a response after the last workshop.

Public Comment: Dick Dowd, Bob Williamson, Ken Wells, Woody Hastings, Alan Strachan, John Rosenblum, Barbara Oldershaw, Duane Hartley, Bill Skoonberg, Mark Landman

Notice to group on 3/1 forum to be held at Shomrei Torah in Santa Rosa between CEO Syphers and a PGE representative. RSVP required and information available on SCP website.

Question on the possibility of using outreach teams in place of SCP staff to help attend more events and increase outreach to the public. CEO Syphers suggested that staff has been able to



attend any meeting that SCP had been invited to. Many of the events are not posted as they are professional organizations or individual groups and SCP is invited but not hosting the event.

Break: 10:25 A.M.

Reconvene from Break: 10:36 A.M.

Staff presentation and discussion on approach to procurement and programs

Presentation by Regulatory Director Kelly Foley.

Suggestion by CM Davitian on graphic of pyramid to include other factors needed during resources planning, such as fiduciary responsibilities and regulatory requirements.

Resource planning progression described by Kelly Foley with a graphic and descriptions of bilateral contracts, leveraged programs, feed-in tariffs, “open season” and sole-sourced resources were given.

Explanation on time frame for open season and what circumstances would need to be for SCP to prepare and RFP for energy service providers.

CM Brophy discussed the future plans for purchasing power from ESPs. CEO Syphers responded that the long-term goal may be to purchase more power locally, but market conditions and other factors, such as SCP’s credit rating, will be factors involved in that decision. Redefining the JPA was also discussed, but CEO Syphers stated it was not an urgent issue.

Chair Briski suggests to staff reintroducing the idea of a mission statement or concise goal, the definition of a bilateral contract, and asks about timing on open season. CEO Syphers responded that Fall would be the time frame desired, but not set as of the meeting date.

CM Gogna suggests further criteria be set for planning. CEO Syphers agreed and stated that criteria will be different for each future program, depending on what is needed to launch the programs.

CM Davitian would like to see a more cost-effective and transparent approach in procurement. Asks if RFPs are costly, would it be possible to coordinate efforts with other agencies. Kelly Foley stated that municipal utilities procure their own energy. Using Marin as a co-negotiator for procurement was mentioned.

Public Comment: Peter Renfro, Bob Williamson, Woody Hastings, Alan Strachan, June Brashares



Approve the January 21, 2014 minutes of the Sonoma Clean Power Business Operations Committee

Approval of the January 21, 2014 BOC meeting minutes was requested. Format of the minutes was discussed, a change in the minutes made, and draft minutes were amended.

Public comment: None

Motion to approve as amended by CM Gogna

Motion Seconded by CM Brophy

Action approved on a 5-0-0 vote

Agenda Items and Ideas for Future Meetings:

From Previous Meeting(s):

- Consideration of issues relating to customer service functions, particularly a local or internally-staffed customer call center, including the timing of a transition from contracted service.
- Consider formation of an ad hoc committee (2 members) to review contract negotiations.
- Discuss and have presentations on energy efficiency strategies, portfolio elements and the need to have flexibility to purchase more or less local power based on need.
- Resource planning. If an ad-hoc committee is formed to handle this topic, CM Davitian volunteered to be on the committee.
- Updates on status of non-participating cities (info only).
- Any information needed to make the launch successful.

From February 26, 2014 Meeting:

- Notifying public of potential future limitations of NEM program, including potential financial limits to NEM program.
- Financial planning for programs and research, how much is available to spend.
- Have a “big audacious goal.”
- Discussion on bilateral agreements v. RFP process
- Feed-in Tariff or FIT, needs to be tested against philosophical criteria.
- Planning concepts v. philosophy.
- Preliminary costs on possible programs, may be part of RFP process.

CM Briski suggests prioritization of the items at the next meeting. CM Gogna suggested that the chair and CEO meet to prioritize prior to the next meeting.



Future Meeting Dates:

March 26, 2014 - 9:00 A.M. – Noon, SCTA Conference Room

April 23, 2014 - 1:00-4:00 P.M., Sonoma County Water Agency, Redwood Conference Rooms

Public Comment on Matters Not Listed on the Agenda:

Public Comments by: June Brashares, Bob Williamson, John Parry.

Adjournment:

Meeting adjourned by Chair Briski at 12:10 P.M.

Stephanie Reynolds