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

**SONOMA CLEAN POWER AUTHORITY
RATEPAYER ADVISORY COMMITTEE
MEETING MINUTES
THURSDAY, APRIL 16, 2015**

I. CALL TO ORDER:

Meeting called to order at 1:01 P.M. by Chair Parry.

Committee Members Present:

Chair John Parry, Peter Renfro, Margaret Spaulding, Bob Williamson, Art Deicke, and Susan Amato. Chris Romo absent.

Staff/Consultants Present: CEO Geof Syphers, Authority Counsel Steve Shupe, Account Executive Nathan Kinsey, and Executive Assistant Stephanie Reynolds

II. RATEPAYER ADVISORY COMMITTEE REGULAR CALENDAR:

1. Adopt minutes of the May 15, 2014 SCPA Joint RAC/BOC Meeting (tabled from December 3rd meeting) and the December 3, 2014 SCPA Ratepayer Advisory Committee.

Public Comment: None

Motion by CM Spaulding to accept the May 15, 2014 minutes as submitted.

Seconded by Chair Parry

Motion carried 6-0-1 (Romo absent)

Motion by CM Spaulding to approve the December 3, 2014 minutes as corrected and submitted.

Seconded by CM Williamson

Motion carried: 4-0-3 (Renfro, Amato abstained, Romo absent)

2. Appoint a Vice Chair of the Ratepayer Advisory Committee

Chair Parry briefly described the duties of the Vice Chair of the committee and asked for nominations from the RAC members present. Chair Parry nominated CM Art Deicke, and Deicke accepted the nomination.

Public Comment: None

3. Chief Executive Officer update on program activity and financials

CEO Syphers introduced new Customer Care Manager Erica Torgerson and expressed



thanks to departing Jonna Ramey.

CEO Syphers stated that the updated SCP Implementation Plan was approved by the CPUC, updated the committee on current enrollment noticing, opt out rates (at approximately 10% at the time of meeting), the recently approved budget adjustment to the current FY budget, the payoff of the \$2.5M loan with First Community Bank, and the impending payoff of the \$7M line of credit with First Community Bank. The loan payoffs were done four years ahead of schedule. He stated that the \$1.7M loan from the Water Agency is under favorable terms and is valuable to keep.

CM Williamson discussed short-term and spot market prices. CM Amato asked for more information on the floating solar project, which CEO Syphers provided to those present. CM Deicke noted the current opt out rates for the Marin Clean Energy enrollment in Napa County were at 8.5% and was encouraged that the low rates are a positive trend. A discussion was held on the most common reasons noted for opting out with the number one reason being auto-enrollment. Options to opt back in were also discussed. CM Renfro asked if the floating solar project did not produce as much energy as estimated, would SCP still purchase what was produced. CEO Syphers stated that SCP will only purchase energy that is produced and if there was a drop in production due to maintenance or other related issues, SCP would purchase energy at a 20% discount. This clause was included as incentive to maintain the project.

CEO Syphers stated that during the rollout, solar customers are contacted directly with an explanation of the true up process. Public workshops for net metering customers have also been held.

Public Comment: None.

4. Discussion of process for budget and rate setting

CEO Syphers provided a summary of the budget and rate setting process, including public meetings.

The draft budget proposed did not include any increase in rates. The budget also proposed that any excess income above the amount allocated to reserves be directed to programs.

The PG&E/SCP joint rate comparison mailer will be sent out in June. For this reason, the budget process for next year will be moved up 4-6 weeks so current rates will be included in the 2016 mailer. The budgeted rates do not take effect until 7/1/15, and any changes cannot be included in the 2015 mailer.



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CM Deicke asked if rates will change during the upcoming rollout to Rohnert Park, Cloverdale and Petaluma. CEO Syphers stated that depending on each meter reading cycle, new customers may receive their first SCP bill at the old rate and the second bill at the newly approved rate (if new rates are adopted). CM Spaulding requested feedback on customer understanding of rates. Jonna Ramey stated that understanding rates has been a challenge for all, and staff and the call center attempt to be as clear as possible. Nate Kinsey stated that SCP is looking for the opportunity to do outreach and educate the public further.

Chair Parry mentioned a tool available by a local company to analyze rates and asked if SCP uses a similar tool. CEO Syphers stated that SCP does not, but Marin Clean Energy uses such a tool and staff still needs to spend a lot of time explaining how it works.

CM Williamson asked if the PCIA charges paid to PG&E will change over the next 3-4 years. CEO Syphers responded that SCP is looking to open the conversation with the CPUC to reopen how the PCIA is established and how long it will last. Any change in the PCIA may require significant regulatory efforts or legislation.

Public Comment:

Mike Nichols brought forward a problem with some Cazadero customers experiencing a delay in billing. Nate Kinsey agreed to follow up with PG&E on the issue to see what the delay is on their end.

Woody Hastings agrees with the prudence of increasing reserves as they can be opened up by the Board to ensure local program funds are available. He asked about the FY 16/17 rate structure and if that would be built into the Resource Plan. He also suggested opening the discussion on rate structure at least 6 months before the process begins.

Andy Ferguson asked for clarification on the PCIA and discussed the E9 rate structure.

1:45 P.M. - CM Amato left meeting.

Break for recess at 2:27 P.M.

Reconvene from break at 2:42 P.M.

CEO Syphers reviewed the draft budget discussing variables such as opt-out rates in new phase, power prices and market fluctuation. He stated the EverGreen premium does not change the budget numbers no matter how many enroll, as it is paid for separately. He reviewed expenditures and the intention to increase reserve contributions to an estimated \$14.62M. Any distribution to reserves would be completed after the end of the fiscal year so the numbers could be validated. Any remainder would be allocated to a local program fund.

Comments from committee members included questions on the ability to change rates, the amount of budget used for outreach and communication, where ProFIT fits into



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budget, and the ability of the Board of Directors to access funds allocated to reserves. CM Williamson requested that volumes of sales for the 5-year forecast be included. Discussion on EverGreen expectations. CEO Syphers stated that a marketing campaign for EverGreen will be launched after the final rollout of the 3 new cities, so as not to confuse new customers on rates.

Personnel costs were discussed and CEO Syphers stated the costs budgeted include the intention to use an in-house approach for regulatory, compliance and program work. The previous General Counsel and Director of Procurement are no longer under any type of contract for services with SCP.

Public Comment:

Susan Briski discussed the goal of putting an increased amount into reserves and if rates should be increased to do so.

Bill Mattinson concerned about the process and does not feel enough time was spent on review of rates, stating the Board of Directors should know that all was not discussed.

George Beeler commented on the need for an increase in program funding and that an increase in rates would help programs and also increase reserves.

Bob Anderson agreed with the benefits of increasing rates for programs, reserves, more choice of sources.

David Harris discussed future projections and pushed to increase rates to replace poorer sources of energy.

CM Spaulding questioned the JPA goals on programs. Is the current rate structure needed to fund programs? CEO Syphers stated that decreased income from participation can influence participation and rates and he encourages program development but is concerned about building credit and financial reserves to combat risks as a startup and to enable the option to finance much larger programs.

CM Williamson agreed with the need to establish reserves. He also stated that it is important to keep with the PG&E rate structure.

4:08 P.M. - CM Spaulding left meeting.

Chair Parry agrees with the strategy of building reserves and removing barriers from the IOUs and taking on more regulatory work in house.

CM Renfro agrees with obtaining leverage with reserves while working towards a more renewable, local product.

CEO Syphers thanked the committee for feedback and stated that the comments will be co-presented to the Board by RAC Chair Parry and then will be back to the RAC in May for work on the proposed final budget and rates.



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III. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

CM Deicke noted his concern with committee member absenteeism.

IV. ADJOURNMENT

Meeting adjourned at 4:19 P.M.

Respectfully submitted,

Stephanie Reynolds,
Executive Assistant