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

**SONOMA CLEAN POWER AUTHORITY
BUSINESS OPERATIONS COMMITTEE
MEETING MINUTES
TUESDAY, MAY 5, 2015**

I. CALL TO ORDER:

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

Committee Members Present:

Chair Susan Briski, Vice Chair Dick Dowd, George Beeler, and Bill Mattinson. Paul Brophy absent with prior notice.

Staff/Consultants Present: CEO Geof Syphers, Authority Counsel Steve Shupe, Director of Power Services Debra Emerson and Internal Operations Manager Stephanie Reynolds

II. BUSINESS OPERATIONS COMMITTEE REGULAR CALENDAR:

1. Adopt Minutes for the Business Operations Committee meeting held April 9, 2015.

Public Comment: None

Motion by CM Dowd to accept the minutes as corrected.
Seconded by CM Mattinson

Motion carried: 4-0-0 (Brophy absent)

2. Committee review and recommendation to staff on proposed contract for the purchase of Resource Adequacy (action).

CEO Syphers introduced Director of Power Services, Debra Emerson. The proposed purchase was described as resource adequacy (RA) required for the upcoming rollout to the cities of Cloverdale, Rohnert Park and Petaluma. Deb Emerson described the presented contract as similar to what has been approved in the past. The proposed purchase would not change any current or upcoming fiscal year rates. Questions were sent via email by CM Mattinson to Director Emerson, which she answered. A discussion providing definitions of flex and system power, and information on volumes and obligations to provide various categories of capacity was held with clarification given by Director Emerson. Question by CM Mattinson regarding current low rates and if the current contract reflects those prices. Director Emerson stated that the prices were approximately 17% lower than what was paid for the same product last year. This may be the result of more suppliers and SCP's better reputation with those suppliers. Cal Peak came in with the lowest bid on most of the volumes and Calpine with the remainder of what is to be purchased. Chair Briski asked if RA cost rose and fell with regular power



prices. Director Emerson stated that as more power comes online, RA prices tend to decrease. At the current time, RA prices are down due to more wind and solar power online. Chair Briski also asked if the offered prices were locked and CEO Syphers stated that the prices were locked until the date of the current meeting and that due to pending filings to the CPUC and CAISO, time was a factor.

CM Beeler asked for a description between flex and system power. System power being classified as a generic resource which could be a local unit (in the CAISO territory) but does not have the flex obligation. Flex units need to be able to meet certain ramping specifications and can be different types of units including natural gas or other categories that are dispatchable.

Public Comment:

Bob Williamson: Question on economics and market volatility. Director Emerson stated that capacity purchases need to be reported to the CPUC 45 days before the resource is available and is usually purchased annually, so not usually affected by the spot market fluctuations. Bob asked what percentage of SCP total cost for power is resource adequacy. CEO Syphers reported a rough estimate would be approximately 4%.

Andy Ferguson: Asked if flex capacity is a marketable commodity and is it re-sellable. Director Emerson stated that it could not be unbundled for resale so it is not double counted. Typically flex capacity is bundled with other products.

Motion to recommend approval of the current purchase as stated in the presentation by CM Mattinson.

Seconded by CM Dowd.

Motion approved 4-0-0 (Brophy absent).

III. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

Dick Dowd: Noted that three members of the informal program group were present and he reported that a meeting with good discussion was held. The goals of the group, the need to keep the public and stakeholders informed and how to determine the need to continue or discontinue programs had been discussed.

George Beeler: Stated that as a member of the program group, he is pleased to have an open and transparent way to evaluate and discuss programs in a creative way and reach out to experts in the community, as needed.

Dick Dowd: Spoke on the Children's Village and encouraged those present to visit. He encouraged community members to visit and for SCP to become involved in the education program(s).

Susan Briski: Notified those present about the North Bay Clean Energy Forum to be held at 7PM in Sebastopol.

Andy Ferguson: Expanded on the description of the North Bay Clean Energy Forum as an



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ad hoc group of technical professionals working in energy efficiency and technology and the group meets as a forum for discussion on what is happening and working across the country in the areas of energy efficiency.

Bob Williamson: Asked if the results of the informal program group will be disseminated and in what fashion. Chair Briski stated that consideration of upcoming programs will be agendaized at a future BOC meeting. CM Dowd stated that the item could be at either a BOC or a Ratepayer Advisory Committee meeting as two RAC members, John Parry and Peter Renfro are meeting with the program group.

IV. ADJOURNMENT

Meeting adjourned at 9:45 A.M.

Respectfully submitted,

Stephanie Reynolds,
Internal Operations Manager