

**MEETING MINUTES
SONOMA CLEAN POWER AUTHORITY
BOARD OF DIRECTORS
THURSDAY, DECEMBER 3, 2015
50 Santa Rosa Avenue, Fifth Floor
Santa Rosa, California**

I. CALL TO ORDER

Meeting called to order by Chair Mark Landman at 8:45 A.M.

Directors Present: Landman, Cox, Wysocky, Cook, Slayter, Schwartz, Okrepkie, King.
Director Gorin absent with notice, all others present

Staff/Consultants Present: CEO Geof Syphers, General Counsel Steve Shupe, Internal Operations Manager, Stephanie Reynolds

II. CLOSED SESSION

The Board of Directors recessed at 8:45 A.M. for the following item: PUBLIC EMPLOYMENT: General Counsel [Government Code § 54957].

Reconvened from Closed Session at 9:08 A.M.

Report out by Chair Landman that Steve Shupe was unanimously appointed as SCP internal General Counsel and that the Board directed CEO Syphers to complete negotiations

III. BOARD OF DIRECTORS CONSENT CALENDAR

2. Approve the October 22, 2015 meeting minutes of the Sonoma Clean Power Authority Board of Directors. (9:10 A.M.)

Director King requested additional language to Item #6. Add direction from the board to staff to include in the new policy regarding governance that each city council have time to consider expansion item and advise/direct their individual representative to bring back concerns or support to a future SCP Board meeting

Motion to approve minutes as amended by Director King.
Seconded by Director Wysocky

Motion carried: 7-0-1 (Schwartz abstained)



IV. BOARD OF DIRECTORS REGULAR CALENDAR

3. Receive Operations Update and provide direction as appropriate (9:11 A.M.)

Present: CEO Syphers

SCP Annual Report provided and discussed. The estimation for greenhouse gas savings in the report was based on 2013 PG&E data, as 2014 data had not been released, yet.

SCP serving more customers in the past month than ever. Increase numbers based on returning opt outs and new Sonoma County residents.

Review of the Power Charge Indifference Adjustment (PCIA) from PG&E that CCA and Direct Access customers are charged. PCIA is rising dramatically in January. The increase does not affect SCP directly, but will affect SCP customers. The average SCP customer would normally pay between \$5-10 in PCIA fees. With the increase, fees will almost double. If SCP had been aware of the increase more than a year in advance, rates could have been adjusted to offset the effect on customers. Director Wysocky asked about a decrease in fees over time. CEO Syphers stated there is an offset based on the vintage or startup date of each customer. The process is currently not as transparent at the CPUC as SCP would like. Director Schwartz asked how our customers' percentage of savings compared to PG&E change. CEO Syphers stated that the exact difference in rates is unknown, as PG&E does not publish their January 1, 2016 rates until December 31, 2015. SCP staff is unable to anticipate, but the percentage of savings will decline for everyone.

A deposit for Reserves was made to a new interest-bearing account at Bank of Marin in the amount of \$7,380,000. The amount is divided between Program Reserves (\$1,107,000) and Operational Reserves (\$6,273,000). CEO Syphers stated that SCP's accountant will track the balances of each portion and that no funds from the account can be spent without Board approval, except for the ability to use up to 50% of the operating reserves for collateral.

The ProFIT program has projects that will be under construction in 2016 in Petaluma, totaling 2 megawatts. SCP is looking for in-state wind power to provide diversity in SCP's portfolio. Director Slayter asked about purchases of energy from out of the Country. CEO Syphers stated there is no current policy restricting purchases to inside the U.S. Director Slayter expressed concern from a global perspective as other countries may not have strict environmental guidelines.

Program Manager Amy Rider answered questions on the Energize customer-engagement tool. The tool will be usable by customers with Smart Meters and can be accessed by a simple internet connection.

Public Comment: None



4. Receive recommendations from the Ad Hoc Committee formed to oversee the Business Operations and Ratepayer Advisory Committee recruitment process.

Chair Landman reported on the process followed to review applications for the Ratepayer Advisory Committee (RAC) and Business Operations Committee (BOC) openings and the experience and talents looked for in the applicants. For the BOC, the Ad Hoc committee recommended Paul Brophy and Bill Mattinson, who volunteered to serve another term. The third candidate recommended was Ken Wells.

For the RAC, Susan Amato, Chris Romo and Chair John Parry were stepping down. Three vacancies needed to be filled, along with an appointment as Chair. Recommendations were for Joseph Como, Mike Nicholls and Anita Fenichel. The current Vice Chair, Art Deicke, was recommended as Chair.

Director Schwartz questioned the process for rate setting and asked how much the RAC concerned themselves with ratepayer interests. He also stated concern with balance of the BOC having interest in the solar industry. He asked to divide committee appointments into two separate votes. Director Wysocky shared concern of weighted interest from the solar community and the need to maintain impartiality. He stated to be clear that he was not stating impropriety, just the need for transparency. CEO Syphers stated that to his knowledge, no current or proposed BOC members are currently involved in the solar industry. Chair Landman added that conflicts of interest were assessed for each candidate.

Public Comment: None

Vote on appointments to the RAC: Anita Fenichel, Mike Nicholls, and Joe Como.
Motion to approve appointments by Director King
Seconded by Director Cox
Appointments approved: 8-0-0

Vote on appointments to BOC: Paul Brophy, Bill Mattinson, and Ken Wells
Motion to approve appointments by Director King
Seconded by Director Cox Motion king, second Cox
Appointments approved 7-1-0

Vote to appoint Art Deicke Chair of the RAC Committee

Pub Comment: None

Motion to approve appointment by Director Cox
Seconded by Director King
Appointment approved: 8-0-0



New appointees present were asked by Chair Landman to introduce themselves to the Board and public. Joe Como, Mike Nicholls, Bill Mattinson, and Paul Brophy were present and spoke.

Chair Landman requested to hear items 9 and 10 out of order due to time constraints of a board member needing to depart early. No objections noted.

9. Approve proposed policy governing application process for new regions (9:51 A.M.)

CEO Syphers reviewed the process of defining the policy and restated that the policy does nothing but clarify how SCP would go through the decision making process of expansion. Significant changes from previous versions included sureness that non-contiguous regions are not excluded, as long as regions are in the area of SCP and members would be able to attend BOD meetings. Also the step was added that a non-committal letter of acknowledgement would go to regions that have formally requested coverage.

Director Wysocky expressed concern about the risk that SCP is taking, offering a seat on the board to new applicants. He expressed no objection to offering service separately. CEO Syphers stated the policy states SCP can offer everything from providing service only, limited representation, or a full member with a seat on the board. The policy clarifies that the board retains the right to decide which path to take.

Director King stated a recommendation to include a step, between numbers 4 and 5, including the opportunity for each city and county representative to go back to individual councils or boards to receive full vetting by those entities and including time for a presentation by an SCP staff member. Secondly have the presentations at the city councils and add adequate time for city staff to agendize the item, make recommendations to their councils and the councils to provide their representatives with the authority to vote on the item. Director King also stated that current SCP customers should not be paying for the process of evaluating regions requesting service.

Director Schwartz stated concern with the governance issue and expressed support of expansion if it benefits existing SCP customers. CEO Syphers stated that if the structure of the Board were changed, or services offered to regions without a seat on the Board, the JPA would need to be amended. He stated that expansion needed to be viewed as a major program of SCP with large GHG savings and benefits. Switching a community to a CCA would save a larger amount of GHGs than most programs and that costs can be offset on future program costs. Director Schwartz suggested a 3 month minimum for review.

Public Comment: None

Director Wysocky stated he would like to bring any changes to the JPA to his council before deciding. Director Cook asked if there would be a time limit between steps 4 and



5. (Amendment 1) A 60-day time frame for review after presented to the SCP Board was agreed to during the discussion. (Amendment 2) Director King stated that language stating results of analysis are for information only during step 5, not an action item. It was also agreed upon (Amendment 3) that number 2 in the policy should have language to indicate types of governance and that JPA goals should be included in the policy

Motion to pass with amendments made and recorded by staff by Director Cox
Seconded by Director Okrepkie
Motion passed: 7-1-0

Director Wysocky clarified his NO vote by stating he wanted to bring the policy to his council before voting.

10. Receive preliminary analysis of the impacts of serving Lake and Mendocino Counties.
(10:38 A.M.)

CEO Syphers presented data on the amount of energy and range of options for numbers of new directors, if the program is expanded. Staff has not come to a firm conclusion whether or not to expand. Three options were presented. (1) Development assistance - being materially helpful with communities to launch on their own, similar to how the Water Agency was with SCP. (2) Limited Service - Offer service to a region that forms its own JPA and administers its own local programs, receiving their program income as a proportional share of SCPA's program expenditures while directing its own local programs and hiring staff to administer programs. Limited or no board representation at this level. (3) Full service - and full representation and program benefits. Regardless of the approach, staff recommends standard rates that are uniform over entire service area for ease of billing. All three options benefit community choice expansion.

Protecting current customers is a high priority. Expansion includes a risk that the affect would not be known until after service has begun.

Director Cox left meeting 10:58 A.M.

Recess for break at 11:01 A.M. Reconvened at 11:10 AM

Director Cook asked if Mendocino and Lake Counties have contacted MCE for service. CEO Syphers stated that Marin is not currently interested and that Mendocino and Lake would not likely be able to start a CCA on their own due to financial restraints and a small tax base. Director Wysocky stated to avoid the risk to current ratepayers it would be good to have reimbursement costs included in contracts.



Chair Landman asked if other service options are a good option. CEO Syphers stated that Lake and Mendocino counties are looking for service, but SCP does not have clarification yet if they would accept other than full service.

Public Comment: None.

Director Okrepkie stated it is SCPs fiduciary responsibility to expand CCA programs and reduce gHgs. The two proposed areas are struggling financially so it needs to be determined how SCP can provide a CCA program provided while protecting current assets.

Director Schwartz recommended waiting for the Lake and Humboldt County RFP responses to allow for a better point of view.

Director Cook approved of the limited service model, but does not want to close the door on any advancement.

Director Slayter asked if SCP was responding to the RFPs. CEO Syphers stated SCP should respond with a status update on offering service, not a proposal.

Chair Landman stated he liked the idea of one set of programs everywhere, but regions may have interests in local projects. Anything that decreases gHg reductions would be a success. He would like to go to next step and ask staff to research service options more completely and that these two particular counties may not be the best fit for the developmental assistance (Option 1).

5. Adopt resolution introducing, reading the title of, and waiving further reading of an ordinance establishing claim filing requirements for certain claims filed against the Authority. (11:38 A.M.)

General Counsel Shupe reviewed the proposed resolution and ordinance. Director King asked if this was similar to the County of Sonoma Ordinance. GC Shupe stated it was an exact model.

Public Comment: None

Director Wysocky left the meeting.

Motion to approve resolution by Director Cook
Seconded by Director Schwartz
Resolution passed: 6-0-0

Director Wysocky returned to the meeting

6. Receive State Legislative update and provide direction as appropriate (11:43 A.M.)



Public Affairs and Marketing Director Kate Kelly reviewed the October and November reports from SCP Lobbyist Kate Brandenburg.

Director Slayter asked about possible impacts of the closure of the Diablo Nuclear Plant, CEO Syphers stated the example set by closure of San Onofre. It would have a large impact on California energy markets. With sufficient warning, there should be less impact. Director King asked for a brief on the California electrical utility district initiative and how it would impact SCP and CCAs in the state. Chair Landman would like a report back on the likelihood of the current legislation passing.

Public Comment: None

7. Approve contract for Electric Vehicle Consumer Tools (11:47 A.M.)

Program Manager Amy Rider reported on this item. The contract is essentially setting groundwork for future electric vehicle (EV) work. It was a result of 3 bids given after an RFP. The firm chosen has delivered on a program of this type. The program will be largely focused on assessing the market and defining what types of education needs to be done in the market place. The proposed contract was presented to the BOC and approved to recommend to the Board.

Public Comment:

Ken Wells - Commented on support of the proposal. .

Dick Dowd – Stated the BOC voted in favor of program concepts and contract.

Andy Ferguson - Supports initiative. Need to appeal to business community who can get an infusion locally, showing the economic advantage to Sonoma County.

Director Schwartz reviewed the benefits to SCP. CEO Syphers stated that fuel switching achieves all of SCP's objectives faster due to the dramatic automatic reductions. Also balancing the charging times with the grid fluctuations will save energy and money.

Motion to approve by Director King

Seconded by Director Wysocky

Motion approved: 7-0-0

8. Accept audited Financial Statements for Fiscal Years ending June 30, 2014 and June 30, 2015 (12:06 P.M.)

Public Comment: None

Motion to accept by Director Wysocky

Second Okrepkie

Motion approved: 7-0-0

V. BOARD MEMBER ANNOUNCEMENTS



None

VI. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

None

VII. ADJOURN

Meeting adjourned at 12:08 P.M.

Respectfully submitted,

A handwritten signature in blue ink that reads "Stephanie Reynolds". The signature is written in a cursive, flowing style.

Stephanie Reynolds
Internal Operations Manager