



**MINUTES
SONOMA CLEAN POWER AUTHORITY
BOARD OF DIRECTORS MEETING
THURSDAY, JANUARY 5, 2017**

- I.** The meeting was called to order at 8:45 A.M. by Chair Slayter

Present: Chair Slayter, Vice Chair King, Directors Hamburg, Okrepkie, Schwartz, Landman, and Alternates Gorin, Cayler and Combs

Staff present: CEO Geof Syphers, Internal Operations Manager Stephanie Reynolds, and Executive Assistant Braiden Gugel

II. BOARD OF DIRECTORS CONSENT CALENDAR (8:45 A.M.)

1. Approve the minutes of the December 1, 2016 meeting of the SCPA Board of Directors

Director Schwartz recommended that the minutes be amended. CEO Syphers stated the minutes will be brought back to the February 2 meeting.

III. BOARD OF DIRECTORS REGULAR CALENDAR (8:48 A.M.)

2. Receive Operations Update and provide direction as appropriate.

CEO Syphers stated that SCP hired a new Customer Service Specialist who will be starting on January 17.

CEO Syphers stated that Governor Brown has appointed two new commissioners to fill vacancies at the CPUC and that both have very strong backgrounds in environmental groups, IOUs and that they understand CCAs well.

Programs Director McFarland updated the Board on Drive EverGreen. She stated 614 applications were received, 556 certificates issued. She stated of incentives approved, 70% of funding went to standard customers and 30% to CARE/FERA for a total of \$552,500. She stated 268 chargers have been ordered, 177 shipped, with 237 opting for demand response. Jim Bone stated this program was a huge success for the community and his Nissan dealership. He stated that this has brought awareness to the community about EVs and he thanked SCP and stated he is interested in participating in future programs. Dave DeMarinis of Hansel BMW stated the program was a huge success, that there will be residual effect, and that programs like these deliver success.

Vice Chair King asked about money allocated and if there will be a report. Director McFarland stated that there will be a report and that an evaluation is in place for April 1. She stated that once the evaluation is complete, SCP will meet with SCWA, CPA and other advisors and come to the Board for next steps.

MINUTES
SONOMA CLEAN POWER
BOARD OF DIRECTORS
JANUARY 5, 2017

Director Landman stated that he would like this program to come back and asked for a timeline. Director McFarland stated that the soonest would be June or July. CEO Syphers stated he would like the next iteration to have a bigger effect. Director Gorin stated she would like to see the low-income community better served.

CEO Syphers stated that Director McFarland released an RFQ for technical expertise
Director McFarland stated that proposals are due Feb 21.

Public Comment:

Bob Williamson asked what the role of the consultants will be and how that effort will fit into the RCPA.

Donna Boyson stated that she purchased a charger and is interested to hear more about how SCP will take advantage of the incentivized purchases of chargers.

CEO Syphers stated the purpose of the RFQ is to find a pool of technical advisors who SCP could build programs with. He stated that knowing what assets are in the community and what consultants are accessible is a great step in coming to the committee and designing the next program around energy conservation, efficiency, demand response, fuel shifting, etc. He stated that SCP has asked for response in a manner that will allow contracts with them at any point in the next three years which will give flexibility in that design.

3. Receive State Legislative Update and provide direction as appropriate.

Katherine Brandenburg stated that the legislature convened yesterday with four new members in utilities and she thinks there will be good opportunities this year in the Senate. She stated that CARB has released a draft of ideas representing the largest and most comprehensive regulatory effort in State history.

CEO Syphers stated that the CPUC will host a CCA en banc Hearing in San Francisco Feb 1. He stated that his primary goal is to dispel myths and to ensure transparency.

Director Cook arrived at 9:19 A.M.

Director Schwartz asked if there was progress on large-scale storage of electricity. Ms. Brandenburg stated there are companies moving towards this goal. CEO Syphers stated that the storage of energy, when it is valued for delivering back onto the grid, is an expensive thing to do and that storage's chief value today is in balancing the grid and reducing customer demand charges.

Director Schwartz asked why carbon tax is not on the list of possible approaches. Ms. Brandenburg stated that administration discussed that cap-and-trade was not the best solution to lower GHGs. CEO Syphers stated there will probably be a solution to high mileage cars and EVs paying their fair share of road taxes before we have a carbon tax.

Public comment:

Woody Hastings stated that there is a voting meeting of the CPUC in Santa Rosa on April 6 and thinks it will be a great opportunity for our community to support SCP.

MINUTES
SONOMA CLEAN POWER
BOARD OF DIRECTORS
JANUARY 5, 2017

4. Review and consider approval of new customer electric generation rates.

CEO Syphers stated in the December meeting there was discussion on how to respond to fee increases and how to remain competitive for our customers. He stated the Board took action to revise the budget and was asked to bring back a proposed set of rates. He stated the proposed rates produce a 1% savings on total electric charges beginning March of 2017 relative to PG&E's January rates and PG&E is likely to make another rate change in March. He stated that being competitive relative to PG&E during the roll-out to Mendocino County customers is important.

CEO Syphers encouraged the public to read the Staff Report regarding managing risks in the future and particularly around PG&E's ability to modify our customer's costs through behaviors on their part without any counter-balancing factor. He stated that it is important to articulate and identify the areas where we have the ability to improve transparency and getting the legislature to step in. He stated that better access to data is needed along with corrections to the PG&E fee. He stated that when a CCA is formed, it takes load away from PG&E and their contracts that were going to serve that load then need to be sold. He stated when those contracts are sold, if they take a loss, our customers have to cover that loss. He stated that PG&E is selling those contracts into the spot market which is the lowest value market they can sell it into and that when they sell that energy, they are allowed to hold the contract and sell the energy into the spot market, meaning that PG&E's bundled customers retail the full contract "hedging" value while passing along those costs to CCA customers.

Director Schwartz asked who is part of the consensus regarding the PCIA mechanism imposing higher costs on CCA customers. CEO Syphers stated the consensus is among all the CCAs, the direct access providers, energy suppliers and Southern California Edison. Director Gorin asked if there was discussion among the commissioners. CEO Syphers stated there has been discussion and a workshop was held in March of 2016 and he is hoping the Feb 1 2017 workshop will continue that. He stated that SCP is asking for a consolidated proceeding to take on the issues related to customer fees.

Director Gorin stated she would like to get a copy of the prepared remarks prior to the February 1 meeting so that the Board knows how these points may be incorporated in potential actions that will be recommended.

Public Comment:

Bob Williamson Stated we all need to stick to transparency.

Woody Hastings stated that there is a lot of misinformation regarding the PCIA and that it is really important that this kind of program propagates throughout the rest of the state and hopefully the country.

Jean Burchett asked about market reform, CPUC approving contracts, and how transparent should market prices be.

CEO Syphers stated that initially he would argue market prices should be posted but for now SCP redacts its prices for three years because PG&E does, and if SCP did not, PG&E would have a market advantage.

MINUTES
SONOMA CLEAN POWER
BOARD OF DIRECTORS
JANUARY 5, 2017

CEO Syphers stated that the rate change estimates that PG&E gave in November gave no indication of the actual changes. He stated that SCP's generation rates are 32% lower for E1 residential customers. He called attention to the EV rates and stated that it has an anomaly on PG&E's rate schedule. He stated that PG&E and the CPUC did not have an explanation. He stated that four staff members have rechecked the work and after adoption, Calpine programs the rates to our billing system and runs simulations to check the accuracy of what was done.

Director Schwartz asked what will happen to the average E1 customers rate. Senior Power Analyst Rebecca Simonson stated that as of Jan 1 the E1 customers are paying about a half of a percent more what the PG&E bottom line would be. CEO Syphers stated the generation rate they are paying does not change because it is flat and there isn't a major change month to month. Ms. Simonson stated she will calculate the numbers regarding rate changes from Dec-Jan and get them to the Board. CEO Syphers stated that he will provide some talking points about what PG&E's action will do to our customers.

Director Combs asked if SCP has an average customer that is followed and if the rate changes have been presented to the CAC. CEO Syphers stated that the CAC approved the proposed rate changes 10-1. He stated that an average rate payer fundamentally does not exist and the reason is SCP does not charge for tiered rates.

Public Comment:

Dick Dowd stated the Community Advisory Committee had a very robust discussion about the rate changes and the vote of the Committee was 10-1 to accept staffs' recommendation.

Jeff Mathias gave platitudes to SCP. He anticipates another rate increase by PG&E in March.

Ken Wells stated that he looks at his bill every month and all of the changes. He stated that the 1% less rate is the easy answer.

Jean Burchett stated that she is happy to hear the rates were maintained in the guidelines of the budget and to meet the 1% goal. She asked about future rates and how realistic is it for SCP to model what the PCIA would be for the original customers.

CEO Syphers stated that the PCIA forecast we will likely have some progress in 2017.

Motion to approve item 4: Director Okrepkie

Second: Director Landman

Motion approved: 10-0-0

IV. BOARD MEMBER ANNOUNCEMENTS

Chair Slayter stated that the RCPA and the SCTA are considering creating a Climate Action Advisory Committee and the authority is considering creating a new, permanent advisory Board.

Vice Chair King stated there was a terrific article about SCP in the Argus Courier. He stated he won't be representing Petaluma in 2017 and will be the alternate. He thanked the Board and to the staff of SCP and to all of those that have served on the committees and usual suspects that attend meetings.

MINUTES
SONOMA CLEAN POWER
BOARD OF DIRECTORS
JANUARY 5, 2017

CEO Syphers acknowledged Director King for being on the Board and presented him with a thank you letter for his service.

V. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

Public Comment: None

VI. ADJOURN

The meeting was adjourned by Chair Slayter at 10:50 A.M.

Respectfully submitted,

Braiden Gugel

Braiden Gugel
Executive Assistant