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

**Sonoma Clean Power Authority
Ratepayer Advisory Committee
Meeting Minutes
December 3, 2014
Sonoma County Transportation Authority**

New RAC Member Art Deicke sworn in by Counsel Foley at 9:06 A.M.

I. CALL TO ORDER:

Meeting called to order by RAC Chair John Parry at 9:08 A.M

Committee Members Present: Chair John Parry, Margaret Spaulding, Bob Williamson, Art Deicke

Staff/Consultants Present: CEO Geof Syphers, Executive Assistant Stephanie Reynolds,
General Counsel Kelly Foley,

II. REGULAR CALENDAR:

1. Adopt minutes of the May 15, 2014 SCPA Ratepayer Advisory Committee meeting. Chair Parry requested that this item be tabled until the next RAC meeting due to a lack of quorum available to vote on the item.

2. Chief Executive Officer update on program activity and financials (9:09 A.M.)

Slides and presentation by CEO Syphers. Introduction to new staff hired after the previous RAC meeting, Account Executive Nathan Kinsey and Procurement Director Nathanael Miksis. Communications Assistant April Varellas will be starting on 12/8/14.

Discussion on the budget and rate setting during the launch year without a history. Opt out rates also discussed.

A recap of AB 2145 and a reminder that SCP will need to be prepared for future challenges against CCAs from the private sector.

SCP is working on long-term renewable energy contracts and recently secured 70 MW of solar and 50 MW of geothermal energy for customers. Due to improved net income, SCP has been negotiating with stronger credit terms. CM Williamson discussed the current state of relations between SCP, IBEW and PG&E. CEO Syphers stated that SCP is working to keep the relationships on good terms, but future attempts similar to AB 2145 are expected.



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Programs were discussed as a local benefit, but not a source for major energy needs. CM Deicke stressed that information on programs be advertised and disseminated to the public.

CEO Syphers reported on SCP finances for the fiscal year starting July 1 through October 31, 2014. Revenues are higher than expected due to low opt out rates and good market prices. The statement of net position was reviewed. SCP's position will be positive going into the winter months. A description of the Procurement Director's duties and the benefits of having procurement in house, such as better negotiations from a number of suppliers, was given. CM Spaulding asked if SCP will be relying less on consultants. CEO Syphers stated that there will be some consultant work to be done, but at a much lower cost. Chair Parry inquired to the PEA contract. The contract expired on 12/20/14.

Public Comment:

Terri Shore – Questioned CPUC oversight of SCP Implementation Plan. CEO Syphers replied that CCAs are lightly restricted. An implementation plan is to be filed on changes in service area and includes financials and other administrative items. If the implementation plan is complete, the CPUC will approve before service begins. The CPUC is also involved in disputes between SCP and PG&E.

3. Discussion on process for budget and rate setting (9:38 A.M.)

The planned schedule for budgeting begins in April with a review of procedures and processes followed by a review of a draft budget. In May, a second public meeting to review the final budget and set the rates for adoption at a June Board of Directors meeting. The new budget would take effect on July 1, 2015. The Board of Directors are to review the policies including amounts to go to Operating Reserves in January, 2015.

CM Spaulding discussed weighing the benefits of paying off debts vs. depositing revenue into reserves. Syphers discussed the careful balance needed as a startup of having cash and a small amount of debt. CM Deicke asked if the Reserve Fund goal is \$50M. CEO Syphers stated that the \$50M is a threshold where the Board would have a discussion and vote on whether to continue to deposit to reserves or to adjust the maximum contribution amount.

Discussion on BOC role in rate setting. CEO Syphers clarified that the BOC is not involved and the RAC is the committee responsible for rate setting and budget review process.

The Resource Plan was discussed and how to set goals for the plan. Committee members stated that they would like more input towards the plan.

Public Comment:

Dick Dowd – SCP should be proud of current status and budget process. Suggests a 3-year budget in the future with expanded categories in the budget for easier comprehension.

Bill Mattinson – Asks for input towards the Resource Plan so they may be included.



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Paul Brophy – Suggested another joint RAC/BOC meeting as a mechanism for better understanding and communications.

III. Public Comment on Matters Not Listed on the Agenda:

No public comment.

IV. Adjournment:

Motion to adjourn by CM Williamson
Seconded by Margaret Spaulding

Motion carried: 4-0-2 (Amato and Romo absent)

Meeting adjourned at 10:30 A.M.

Respectfully submitted,

Stephanie Reynolds
Executive Assistant