



Local. Renewable. Ours.

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

**AGENDA
SONOMA CLEAN POWER AUTHORITY
BUSINESS OPERATIONS COMMITTEE
MONDAY, SEPTEMBER 29, 2014
9:00 A.M.**

**Sonoma Clean Power Authority Offices
50 Old Courthouse Square, Suite 605, Santa Rosa, California**

I. CALL TO ORDER

New BOC member Dick Dowd was given the Oath of Office by General Counsel Foley.

The meeting was called to order at 9:01 A.M. by Chair Briski. She welcomed new member Dick Dowd, who filled the vacancy left by Vice Chair Davitian. CM Dowd had been asked and agreed to serve as Vice Chair of the BOC.

Present: Chair Susan Briski, Bill Mattinson, Mike Gogna, Dick Dowd
Absent: Paul Brophy (with prior notice)

Staff Present: CEO Geof Syphers, General Counsel Foley, Director of Power and Procurement Nathanael Miksis, Executive Assistant Stephanie Reynolds

II. BUSINESS OPERATIONS COMMITTEE REGULAR CALENDAR

1. Report from staff on a proposed purchase of resource adequacy (as required by law) followed by committee review and recommendation on proposed contracts.

CEO Syphers spoke on the need to convene a RAC/BOC joint meeting in November or December for updates and a discussion of the budget and rate process. A date for a BOC meeting also needs to be set to review a contract for 2016 energy. He reviewed what Resource Adequacy (RA) is and why all Load Serving Entities (LSE) are required to have RA. RA provides a method to ensure that system operators have enough power available at all times. If Petaluma and Rohnert Park decide to join SCP, current forecasts would need to be updated and more RA procured.

CM Mattinson asked how power costs relate to RA costs. Director



*Joint Meeting of the RAC/BOC
June 10, 2014*

Miksis responded that RA costs approximately 2-3% of the power costs. Director Miksis stated the sources of the RA had been redacted at the request of the counter party. The RA contracts do not require a purchase of power as the product is treated separately from energy purchases.

Director Miksis reported that SCP solicited offers from a number of parties and Calpine returned with the best price. SCP is saving hundreds of thousands of dollars by purchasing RA in a competitive process rather than from a sole provider.

Six contracts were presented – one contract for each type of RA. Discussion on “contingent firm” or “firm” products and how pricing is affected. Calpine offered a firm product for the same price as contingent firm. The three different types of RA are system, local, and flexible. The six contracts being proposed have a mix of all three types.

Counsel Foley spoke about the structure of the agreements. Calpine’s master agreement was used as they did not agree to changes in format such as cover sheets and definitions.

CM Gogna requested clarification on required reporting of purchases of energy and/or RA. Director Miksis responded that RA is what is reported as a regulatory obligation. The Constellation contract executed was for energy only, not RA. Other questions were posed specific to the contract language.

CM Mattinson asked if SCP purchases RA and the energy is sold to another party, how is the RA obtained. Counsel Foley responded that due to deregulation, the ISO always has a planning reserve margin of at least 15%

Public Comment:

Bob Williamson – Asked for further clarification, such as in cases of crisis and how many competitors were reached out to. The response was four parties. It was clarified that any owner of a power plant may be able to sell RA.

Chair Briski summarized the rough definition of RA. RA is purchased and reported due to regulatory requirements. The current proposed contracts are at a good price saving SCP hundreds of thousands of dollars and the savings will help to continue to keep rates competitive. CM Gogna acknowledged the members of the RAC present at the meeting and expressed appreciation that they were in attendance. CM Mattinson had no comment. CM Dowd expressed thanks to staff



Joint Meeting of the RAC/BOC
June 10, 2014

for the presentation and clarification by staff.

Counsel Foley stated that these contracts would not be going back to the Board. Staff would consider any BOC input and then they would be executed by Vice Chair Landman, who is the Chair of the Board's Procurement Ad Hoc Committee.

Motion by CM Mattinson to recommend approval of all six agreements as presented.

Seconded: CM Gogna

Motion carried: 4-0-0

III. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

None

IV. ADJOURNMENT

Meeting adjourned at 9:54 A.M.

Respectfully submitted,

Stephanie Reynolds