



JOINT MEETING
BUSINESS OPERATIONS AND RATEPAYER ADVISORY COMMITTEES
MEETING MINUTES
THURSDAY, NOVEMBER 12, 2015

I. CALL TO ORDER:

Meeting called to order by BOC Chair Dick Dowd at 9:03 A.M.

Committee Members Present:

RAC: Chair John Parry, Art Deicke, Peter Renfro, Margaret Spaulding. Bob Williamson absent with notice. Chris Romo and Susan Amato absent.

BOC: Chair Dick Dowd, Bill Mattinson, Paul Brophy, George Beeler

Staff/Consultants Present: CEO Geof Syphers, Director of Power Services Deb Emerson, Program Manager Amy Rider and Internal Operations Manager Stephanie Reynolds

II. JOINT MEETING CALENDAR

1. Business Operations Committee (BOC) approval of the minutes from the August 17, 2015 BOC meeting.
CM Mattinson noted a typographical correction to be made.

Motion to accept 8/17/15 minutes, as corrected by CM Brophy.

Seconded by CM Mattinson.

Motion carried 4-0-0

2. Ratepayer Advisory Committee (RAC) approval of the minutes from the May 19, 2015 RAC meeting.

Vote initially tabled, due to lack of quorum. Vote taken at 9:56 A.M., after item #3.

Motion to approve minutes as presented by CM Spaulding.

Seconded by CM Deicke

Motion carried 4-0-0.

3. Operations Report (Information) Present: CEO Syphers

CEO Syphers stated the Ad Hoc Committee for the BOC and RAC recruitment has met and the committee will be making a recommendation to the Board of Directors on 12/3 that the Board will vote on, or reject. Announcements on positions will be made after that time.



*BOC/RAC Joint Meeting
November 12, 2015*

Procurement – CEO Syphers discussed current short and long-term contracts. An item not acknowledged in SCP’s portfolio is behind the meter solar. Staff is working to get better data from PG&E on interconnects. Approximately 20% of total peak load is solar. Staff is looking for projects in California that support repowering. Repowering is working with current facilities that are improving due to environmental and productive improvements. Ex. Wind turbines improved to decrease bird strikes.

Departing load charges (PCIA) will be changing significantly in January, 2016, due to PG&E’s loss of customers causing financial loss due to forward procured power. The increased charge does not affect SCP finances, but does affect our customers and how we compare with PGE in overall cost. Staff has asked PG&E for a long term or at least 10 year forecast so rates can be planned based on PCIA changes. More information will be available after 1/1/16 to be used during rate setting.

Pisenti & Brinker finished the 2014-2015 FY audit. The audit was favorable, no adjustments required. They continue to recommend Noble perform an external audit of a type that could be used by SCP to validate how data is managed. SCP improved net position from \$101,000 to \$13.6M with all bank debt paid off. Only remaining debt is to the Sonoma County Water Agency at 3% interest. Forecast looks strong due to favorable wholesale market. Staff goal is to contract for power during these favorable conditions and improve reserves for programs or price increases.

CEO Syphers discussed the issue of SCP’s expansion into other regions and the requests that SCP has received over the last 3 years. Staff had recommended to Board and committees that Sonoma County be served first then work on a policy to use for the expansion process. The Board also asked for data from nearby regions and a formal request from Mendocino and Lake Counties. Any consideration will be weighed carefully. No timeline set at present, other than May, 2017 would be the soonest date to provide service to other areas.

CM Brophy asked about amounts designated for reserves. CEO Syphers stated that data was still being calculated to determine the available funds for deposit. CM Brophy also asked if the expansion policy would include whether or not to expand, or just the process and if different types of memberships would be available. GC Shupe stated that different types of memberships are possible, but would require an amendment to the JPA.

CM Mattinson asked about the number of applicants for the BOC and RAC positions and if there was a limit to expansion. CEO Syphers stated there were approximately 11 applicants for each committee. He also stated that the only legal limit to SCP’s expansion would be to stay in California.



CM Beeler asked about the term of wind contracts. CEO Syphers stated that the terms are approximately 15-20 years, similar to solar contracts. CM Beeler hopes to see larger purchases that aid in the development of more renewable sites. He also stated that when discussing expansion, he wants to keep Sonoma County as priority.

Chair Dowd asked the CEO's opinion on the PCIA fee. What impact will the increase in PCIA have on new CCAs or communities considering formation of a CCA? CEO Syphers stated that it would be a large impact and that is why SCP and other CCAs are asking for a 10 year forecast.

CM Spaulding asked if staff is working in a consultant role with other counties looking at expansion. CEO Syphers stated that SCP is currently not charging staff time to other regions, but not a lot of time has been spent, only basic assistance. If a region asked for a more dedicated time commitment, it could change into a consulting process.

CM Renfro asked if there are any specific reserves set aside for ratepayer relief from the PCIA increases. CEO Syphers stated one of our options is to use reserves. To use as ratepayer relief, it would require going through the ratemaking process then to the Board.

CM Deicke asked if there an opportunity for PG&E to blame cost increases on CCAs. CEO Syphers stated the charges are figured using complex calculations with a number of inputs redacted and the information is provided to the CPUC only. The more visibility SCP can get during validations will help to ensure charges are calculated correctly. CM Deicke asked for the benefits of expanding outside Sonoma County. CEO Syphers stated there is an operational benefit, environmental benefit and expansion strategically helps with regulatory and legislative issues.

Chair John Parry asked how the PCIA 10 year forecast would that be determined as new CCAs form and change the departing load. CEO Syphers stated PG&E has a forecast of what they expect final departing load to be.

Public Comment: None

4. Programs Update - Program Manager Amy Rider, CEO Syphers

Chair Dowd updated that the programs working committee met recently and discussed opportunities.

PM Amy Rider stated that electric vehicles (EV) is an important focus of SCP staff. Specific hurdles are how to make change, education and availability of charging stations to the public and at work. Two RFPs were issued, one for educational tools, one for EV outreach and development. 4 consultants responded with 13 ideas.



Switch Vehicle grants were awarded to 4 local schools, in addition to Analy High School, which already had a program in place. Two more 1Mw contracts were signed under the ProFit program. CEO Syphers stated that FIT projects allow us to offer Evergreen with a mix of 50/50 geothermal and solar.

CEO Syphers stated that SCP staff is working with Senior CAISO staff and LBNL staff on how to work on EV expansion and a program outline. A meeting has been planned with the Governor's office to inform them on the possibilities.

CM Deicke asked about consideration given to used EVs with stigma on battery life, etc. CEO Syphers stated that used EVs are being looked at as a potential opportunity based on residual value. SCP is looking to help solve EV outreach issues with our customers as increased users of those EVs, which may be easier to purchase.

Chair Parry asked about the EverGreen outreach. CEO Syphers stated SCP is waiting to see what PG&E's new similar program will offer.

CM Beeler stated proposals regarding EVs can be premature if there have not been more discussions with LNBL and CAISO regarding the load. CM Beeler asked why there are challenges to getting more ProFit applicants. Amy Rider stated that the main issues remain/interconnection and permitting.

Chair Dowd stated he would like to focus on new things being built and suggested working with PRMD and local jurisdictions building departments so that new builds include energy upgrades while the facilities are being built. CM Beeler also stated that SCP should be working with PRMD and permitting departments regarding EV upgrades.

Public Comment: None

5. Electric Vehicle Technical Assistance contract – Program Manager Amy Rider

PM Rider gave background on the need for education in the area of EVs. This item specifically focused on how to better educate consumers of Sonoma County on EVs including contractors, auto sales personnel and consumers. The contract scope included a market assessment, a guidebook and dealer awareness.

CM Brophy asked for more details on the proposed contractor, ICF. PM Rider stated that ICF is an international consulting firm with dedicated branches for marketing, research. CM Mattinson asked if the proposed survey instrument will be available online. PM Rider stated both paper and electronic versions will be available. Chair Dowd stated that monthly progress reports showing fiscal responsibility are appreciated and should be shared with the Board when received.



CM Deicke commented on the need to continue Spanish outreach. PM Rider will work with the consultant to ensure the Spanish speaking community are connected with during Contacts 3 and 4 of the scheduled period. CM Deicke also commented that Spanish interviews may be needed at dealerships, and it is important to continue to outreach to that demographic.

Public Comment: None

Back to BOC for motion to recommend the contract to the Board of Directors.

Motion by CM Beeler
Seconded by CM Brophy
Motion carried: 4-0-0

*Recess for break at 10:55 A.M.
Reconvene from break at 11:08 A.M.*

6. Budget planning and timeline for meetings and deadlines for presenting draft budget and rates to the Board of Directors. CEO Syphers

CEO Syphers stated that lessons learned from previous budget cycles show that adopting rates in May or June does not allow time for current rates to be published in the joint-rate comparison mailer with PG&E that goes out each June. He is moving the process one month earlier to allow for publishing new rates in the joint mailer. Staff is working with outside consultants MRW in Oakland to understand the aspects of rate setting and reviewing PG&E rate data.

CM Brophy noted there was no mention of the BOC in the timeline and asked if there is an official area where the BOC can participate? CEO Syphers stated the BOC members can be noted when making comments during public comment. CM Beeler stated that during public comment, important commentary on the budget may be cut short. Chair Dowd agreed with allowing BOC input towards the budget. CM Spaulding stated that BOC input is invaluable and necessary and vital, early in the process. Chair Parry asked about a joint format meeting. Chair Dowd stated he feels concerns have been stated clearly and staff can address the issue.

Public Comment: None

7. Discuss options for improving committee interactions and productivity. Review of RAC and BOC Duties and Powers.

CEO Syphers thanked John Parry for his service as a valuable member of the RAC during the difficult startup period of SCP.



CM Deicke stated the way overlapping items are set up doesn't allow for joint input. Would it be possible to set up the budget review process with the BOC seated at the table as non-voting members. GC Shupe stated there would be no legal impediment but from a Brown Act perspective it would be better to have the presence of both committees agendized. CEO Syphers stated it would be important to note that the recommendations to RAC from BOC are not directive and clear which committee is making the decisions.

CM Mattinson stated that during the discussion of JPA language and overlapping duties it would be good to gather public input, perhaps from the website. CM Brophy stated he understands the difficulties and that the solution may be to have one larger committee with the use of ad hoc committees to cover detailed issues and present to the larger committee a summary memorandum. CM Spaulding stated that when the JPA formed there was no model to follow and it is important to go back and modify the JPA to clarify roles and possibly improve on ratepayer representation. Marketing, outreach, education and feedback need to be improved so ratepayers are informed outside committee meetings. CM Renfro reiterated CM Spaulding's comments. Ratepayers are being asked to consider items that are new ideas and they need more education on items. Our outreach to customers can be redefined through education and committee work. He asked for clarification on Section 4.5.2.2 on reporting to the Board. GC Shupe stated how the committees have turned out in practice is very different than imagined. The idea of a single committee may be something to consider in the future.

Public Comment: None

8. Establish dates for future committee meetings.

CEO Syphers showed prospective Committee meeting dates, which reflected staff's effort to have a Board meeting and a committee meeting each month.

III. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

None

IV. ADJOURN (11:56) by Chair Parry

Respectfully submitted,

Stephanie Reynolds,
Internal Operations Manager