



RATEPAYER ADVISORY COMMITTEE
MEETING MINUTES
TUESDAY, APRIL 12, 2016

I. CALL TO ORDER:

New Committee Member (CM) Mike Nicholls sworn in by General Counsel Steve Shupe prior to the start of the meeting.

Meeting called to order by Chair Art Deicke at 9:02 A.M.

Committee Members Present:

Chair Art Deicke, Anita Fenichel, Peter Renfro, Margaret Spaulding, Joe Como, Bob Williamson, and Mike Nicholls.

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

II. RATEPAYER ADVISORY COMMITTEE REGULAR CALENDAR

1. Adopt minutes of the February 16, 2016 Ratepayer Advisory Committee meeting

Clarification by Chair Deicke on Summary Statement
Public Comment: None

Motion to accept minutes as amended by CM Williamson
Seconded: CM Renfro
Motion carried: 6-0-1 (Nicholls abstained)

2. Operations Update
Present: CEO Geof Syphers

The Mustang solar site came online early, staff and Board ratified sale of excess energy for 2016.

Progress being made at the California Public Utilities Commission (CPUC) for analyzing the exit fees (PCIA). Commissioner Florio has asked PG&E to provide data necessary for a ten-year forecast to CCAs for analysis.

Staffing changes include new Energy Analyst Carlos Gomes and Director of Programs Jan McFarland.

CEO Syphers stated it would be significant to convene a joint committee meeting this summer to discuss changes to the JPA, which would include committee structure changes.

The PG&E electric vehicle program and settlement were discussed. A significant adjustment is that PG&E agreed to allow the hosts of any charging stations to determine the source of electricity. This would allow SCP and CCA customers to participate in the program. No specific number of EV charging stations have been announced for Sonoma County.

Public Comment: None

3. Review draft budget and rates for Fiscal Year 2016-2017 and provide input and direction to staff as needed
Present: CEO Geof Syphers, General Counsel Steve Shupe

Chair Deicke reviewed the last RAC meeting and process to date for the budget process.

CEO Syphers presented the current draft budget, scheduled to go to the Board of Directors for approval 5/5/16, with rates effective 7/1/16. The rates, when approved, are to be included in the joint mailer (PG&E/SCP) to be sent out in June.

CEO Syphers noted significant changes made to the budget since the last RAC meeting:

- Water Agency loan paid off. The loan payoff reduces interest costs over the next year.
- Proposed amount budgeted for Reserves and Program Reserves after receiving input from the RAC, BOD and BOC, is 3.5M for Programs and 10.7M for Reserves.
- Rates set at 2% below PG&E current rates.
- Collateral deposits reduced based on recent procurement activities. Not an expense but an obligation.
- Significant annual mailer showing SCP yearly results and services, added \$190,000 in costs

CEO Syphers reviewed PG&E demand charges. Some specific commercial distribution rates have gone up by as much as 50%. SCP proposes to moderate that increase to our customers by capping the increase at 10%.

CM Como asked staff to clarify how much program costs will affect rates and asked for further detailed analysis on the benefits of various programs at different levels of committed funds. CEO Syphers noted that more detail on program results will be included in future budget processes.

CM Williamson also noted the need for finding a standardized measure of the benefit from programs and clarification on line items for programs.



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CM Nicholls in favor of staff recommendations and interested in programs. He stressed the importance of communications/messaging on where SCP is saving ratepayers' money.

CM Deicke discussed the need for cooperation with other CCAs on issues and programs work and the goal for Reserves. CEO Syphers stated that SCP can coordinate and work with other agencies on programs, such as EV charging stations and research. The goal for Reserves, as set by the JPA is currently \$50M. In the long-term, SCP will most likely need to work towards Reserves of \$70-90M to build a strong credit rating. The current budgeted amount for Reserves in FY 16-17 is approximately 6%.

CM Fenichel suggested including educational materials in the budget so the public understands who is responsible for rate increases. CEO Syphers stated that work is ongoing.

CM Renfro asked about long-term power procurements inside of Sonoma County and if SCP has a specific goal on how much local power to procure. CEO Syphers stated that goal would originate with the Business Operations Committee and be part of the integrated resource planning process. SCP plans to procure more local energy over the next five years.

Public Comment:

Dick Dowd – Supports budgetary process with forward look. Stated the need to maintain flexibility and remain diligent.

George Beeler – questioned capping demand charges for commercial customers. Suggested working with them to lower their demand instead.

Paul Brophy – asked about outreach related to the EverGreen program and a reduction in revenues in the Budget. CEO Syphers stated outreach for EverGreen is included in the Marketing budget. The drop in revenues are a result of reductions in rates to offset the recent increase in exit fees.

Bruce Niden – asked about the excess energy from the Mustang plant. CEO Syphers stated the plant coming online early required SCP to sell excess energy.

CM Deicke summarized the recommended budget as presented by staff.

-Rates that produce a 2% total electric bill savings for all customers

-\$3.5M budgeted for Program activity

-Planned Reserve contribution at the end of FY 16-17 would be \$10,692,000

-Various minor adjustments to the budget

Motion by CM Nicholls: Approve and recommend proposed FY 16-17 Budget and Rates

Second: CM Spaulding

Motion carried: 7-0-0

III. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

Dick Dowd stated that Resource Adequacy is an important component of SCP's costs and should be discussed on an ongoing bases.

IV. ADJOURN (10:27 A.M.) by Chair Deicke

Respectfully submitted,



Stephanie Reynolds,
Internal Operations Manager