



**SONOMA CLEAN POWER AUTHORITY
BUSINESS OPERATIONS COMMITTEE
MEETING MINUTES
April 21, 2016**

I. CALL TO ORDER:

Meeting called to order by BOC Chair Dowd at 9:00 A.M.

Committee members present: Dick Dowd, Ken Wells, George Beeler, Bill Mattinson
Committee member Brophy absent with prior notice.

Staff Present: CEO Geof Syphers, General Counsel Steve Shupe, Director of Power Services Deb Emerson, Internal Operations Manager Stephanie Reynolds

II. BUSINESS OPERATIONS COMMITTEE REGULAR CALENDAR:

1. Approve the February 3, 2016 meeting minutes of the Sonoma Clean Power Business Operations Committee

Public Comment: None

Motion to approve minutes, as corrected, by CM Wells
Seconded by CM Beeler
Motion approved 4-0-0

2. Receive update on Operations and financial performance. Discuss programs and regulatory issues and provide direction as appropriate

CEO Syphers introduced two new SCP employees Carlos Gomes, Energy Analyst and Jan McFarland, Director of Programs.

SCP's financial position remains strong, still in winter months thru April billing cycle. Mustang solar facility completed construction and came online early, necessitating a sale of excess energy. Progress continues on the exit fee issue (PCIA) in that SCP and other CCAs are forming a consulting team to work on technical issues.

CM Mattinson asked if there was a financial loss due to the sale of excess energy. Director Deb Emerson stated there was not a loss as SCP was able to sell the Category 1 attributes along with the excess energy. CM Beeler asked about the ability to look at cost effective energy efficiency programs. CEO Syphers stated that is the intent and SCP is currently looking at TOU technologies and other efficiency programs. Chair Dowd asked for clarification on the Energize program. Program Analyst Amy Rider responded that Energize has changed the target for launch and will be targeting to schools as a marketing avenue for the program. This will allow SCP to show the potential for a donation program.



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CEO Syphers noted SCP is also working with the Sonoma County Water Agency (SCWA), Lawrence Berkeley National Laboratories, the City of Santa Rosa and others to work on time of use (TOU) concepts for water pumping programs, including to the Geysers and SCWA deliveries, SCP is also working on options to support EV programs with the North County Air Pollution Control District.

Public Comment:

Woody Hastings asked about outreach on Energize programs. Amy Rider responded that the program is operational and SCP is working on the details prior to a major rollout. Mr. Hastings also asked who the primary agency is for the consultant contract for PCIA work. CEO Syphers responded that SCP signed an initial contract with MCubed, but is working with MCE and SF Clean Power on the issue and cost sharing the legal and technical work.

John Rosenblum asked if SCP has access to PGE data on meters to validate. Amy Rider responded that SCP has access to interval data for commercial customers, but not as much for residential customers due to limitations by PG&E. The access has been limited and SCP continues to work on better access to the data. He also asked about SCWA and the energy purchased through Power and Water Resources Pooling Authority (PWRPA). CEO Syphers stated that PWRPA costs are lower than SCP, so entities purchasing through PWRPA are unlikely to switch.

Bruce Niden asked what can be done to help facilitate the Bodega Water District to enroll as SCP customers. CEO Syphers stated specific accounts cannot be discussed, due to confidentiality, and Mr. Niden was directed to the website for FAQs to share and offered to help with marketing.

3. Receive Power ad hoc Committee report on power purchase agreement and make a recommendation to the Board of Directors.

Director Emerson explained the current power purchase agreement to be voted on and the redacted version presented from a wind developer, approx. 41 MW in generation starting by the end of 2017, or January of 2018. The purchase is a good way to diversify SCP's portfolio with geothermal and solar already online, and would provide a well-rounded supply for customers. Keyes Fox and Weidman was the law firm that worked on the contract and negotiations. The reason for the redactions is that the commercial terms are sensitive in a competitive marketplace. The name of the supplier was redacted because they will go through approval process in May and until approved, any release would be considered a press release showing approval of the contract. Details on the name will be released after final execution. CEO Syphers stated that the price is favorable in that it compares to SCP's existing renewable portfolio of CA renewable sources. Wind power will fill out evening and nighttime power needs.



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Chair Dowd reported out on the Power Ad Hoc Committee meeting (Board Directors Slayter, Cook, Wysocky in attendance), who reviewed an unredacted copy of contract. The Ad Hoc recommended unanimous approval of the contract.

CEO Syphers stated it was satisfying working with new turbines that are not as much a danger to birds, specifically raptors. He will bring more detail on specific project once contract is executed.

CM Mattinson asked about seasonal shutdowns. Director Emerson stated the new turbines have been improved and are not planned for seasonal shutdowns. CEO Syphers added that the value to this agency is in causing projects to be built to offset fossil fuels and taking the risk sooner than later is fundamental to our JPA purpose.

CM Wells asked if financial terms will be released. CEO Syphers stated that excluding price and collateral, commercial terms, remain redacted for up to three years.

CM Beeler stated he would like to see a resource plan with a graph showing our various energy purchases, with future predictions of necessary purchases. A graph was presented to the Ad Hoc showing SCP's power mix to 2020. The graph does not show rooftop solar as it is not separately metered, and cannot be counted as part of SCP's resource mix.

Chair Dowd presented written comments from CM Brophy which included questions on SCP purchasing excess energy and non-delivery issues. Director Emerson responded that commercial operations cannot occur before 1/18, having to be online by end of 2018 to avoid any issues with non-delivery, allowing SCP to terminate agreement, if needed.

Public Comment:

Bruce Niden asked about programs to promote EverGreen or controlled demand. CEO Syphers stated this purchase is not a Sonoma County source, so this item would not go into the EverGreen portfolio, but into the CleanStart mix.

John Rosenblum appreciated the work towards a goal of renewable power. Need to do a lot of sensitive analysis on pricing to protect against a loss over the long term, ranges of benefits of customers. Are there any protections in the contract to keep SCP from taking on extra financial burdens. CEO Syphers stated the analytics have been done well, and the risk we are taking is similar to all electricity providers in CA.

Woody Hastings Asked if SCP can speak to the degree which the resource may or may not help with load shaping, and is there anything in the contract to address future storage issues. Senior Power Analyst Rebecca Simonson responded that SCP's shaped profile has this contract factored in it. CEO Syphers stated that when the IRP



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process begins, load curves will be included.

Chair Dowd discussed CM Brophy's question regarding the form of the contract. Is this a standard contract and if not, why? Director Emerson stated that when SCP negotiated, we made sure all of the renewable terms matched and that SCP was comfortable with operations. A power purchase agreement (PPA) is a document that is very specific to each project and not standard by nature.

Motion to approve recommendation of the PPA as presented by CM Wells
Seconded: CM Mattinson
Motion approved: 4-0-0

III. COMMITTEE MEMBER ANNOUNCEMENTS

An update was given on CM Brophy's travels.

IV. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

None

V. ADJOURNMENT

Meeting adjourned by Chair Dowd at 10:15 A.M.

Respectfully submitted,

Stephanie Reynolds,
Internal Operations Manager