



**MEETING MINUTES  
SONOMA CLEAN POWER AUTHORITY  
BOARD OF DIRECTORS  
THURSDAY, MAY 5, 2016  
50 SANTA ROSA AVENUE, SANTA ROSA, CA**

**I. CALL TO ORDER (8:45 A.M.)**

The meeting was called to order by Chair Slayter.

Present: Chair Slayter, Vice Chair King, Directors Okrepkie, Schwartz, Carrillo, Landman, Cox, Wysocky, and Cook

Staff present: CEO Geof Syphers, General Counsel Steve Shupe, Director of Public Affairs and Marketing Kate Kelly, Internal Operations Manager Stephanie Reynolds

**II. BOARD OF DIRECTORS CONSENT CALENDAR (8:45 A.M.)**

1. Approve the April 7, 2016 meeting minutes of the Sonoma Clean Power Authority Board of Directors.

Public Comment: None

Motion to approve Consent Calendar by Director Carrillo.  
Seconded by Director Schwartz

Motion approved 7-0-2 (Wysocky and Cox abstained)

**III. BOARD OF DIRECTORS REGULAR CALENDAR (8:42 A.M.)**

2. Receive Operations Update and provide direction as appropriate  
Present: CEO Syphers

CEO Syphers noted that SCP celebrated its 2-year anniversary for serving customers and Clean Power SF launched service on the same day.

SCP was referenced in an article in the Press Democrat. The article reviewed SCP's goals of greenhouse gas emissions, reduction of rates, and stimulation to the local economy. Syphers stated it was a challenge to do all three, but SCP has done it.

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Progress made on exit fee issue (PCIA), SCP is working with consultants and other CCAs on long-term efforts.

Chair Slayter and staff from SCP attended the Mendocino County Board of Supervisors meeting on April 19<sup>th</sup> and staff also recently attended a public meeting in Willits to respond to inquiries regarding CCAs, SCP and possible service to the area.

Lake County suspended the exploration of CCA options for at least 9-12 months.

The e-Lab Accelerator event was attended at the Rocky Mountain Institute in Utah. The SCP Drive Evergreen team discussed ways to support renewable energy and shift funds from gasoline to local renewable sources.

Public Comment: None

3. Receive State Legislative Update and provide direction as appropriate (8:56 A.M.)

Present: Director of Public Relations and Marketing, Kate Kelly

Director Kelly reviewed the legislative report provided by consultant Kate Brandenburg. Kate Brandenburg to be invited to attend a future meeting for a detailed discussion on relevant legislation.

Public Comment: None

4. Approve Budget for Fiscal Year 2016/2017 (9:01 A.M.)

Present: CEO Geof Syphers

*(At the request of the Chair, discussion on Items 4 & 5 occurred together, with a vote to be taken separately.)*

CEO Syphers stated that the message received from both the Ratepayer Advisory (RAC) and Business Operations (BOC) committees is that growing reserves is crucial. Changes from the previous draft budget reflect an increase in reserves to \$10.7M and a lower contribution to programs. Options for the budget allocation to programs were discussed with a scale showing options from \$2.5M to \$6M. Other small updates were based on current market conditions and the Water Agency loan being paid off, which eliminated interest costs. Another item added at the request of the RAC was \$190,000 to increase customer communication and \$100,000 for legislative advocacy/support. Collateral was adjusted down by \$500,000.

Art Deicke, Chair of the RAC, provided a briefing from RAC budget meetings. He was pleased with a unanimous vote to recommend the budget and the good balance of building reserves, while keeping rates competitive with flexible

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funding for programs. He expressed the need to continually return to the JPA goals as a reminder of SCP's mission. He stated the need for a good tool to evaluate how the local economy is being affected by SCP, with metrics showing where improvements can be made. He suggested a 3<sup>rd</sup> party audit to see how the \$50 million already saved by SCP customers has affected the local economy.

Director Wysocky discussed the frequency of rate setting and how it can affect businesses if there is only one large rate change per year. CEO Syphers stated that staff would come back to the Board in 4-6 months to revisit the idea of more frequent rate adjustments for commercial accounts. Director Wysocky also stressed the importance of having a local preference policy for project bids.

Director Landman agreed with Chair Deicke about being mindful of the JPA goals when planning the budget.

Director Schwartz discussed the need to clarify that NetGreen payouts are not a subsidy from ratepayers. CEO Syphers stated that funds are primarily coming from reselling excess energy produced and that the cost above that is minimal.

Director Cook asked for clarification on the cap to demand-rate customers. CEO Syphers clarified that the purpose was to avoid unusually large increases on any customer's rates, and stated that the customer who would be most affected by removing the cap are industrial commercial businesses. Director Cook asked if staff would be working with those customers on how to use off peak hours or other energy saving options. CEO Syphers stated that staff is working with the wine industry and others who have high demand charges and that those customers may be a good fit for local solar charged batteries and smart EV charging.

Director Carrillo asked about the effect of reducing the program budget on the scope of existing programs. CEO Syphers stated that staff was requested to produce more detail before programs funds are allocated from the budget. When staff create detailed plans for additional programs, staff would return to present to the BOC and Board for up to \$2.5 million in additional program funds. Carrillo suggested working with the County model for local preferences when drafting a possible future policy.

Vice Chair King asked staff to present a mid-year budget review, adding into the review an analysis of customers who have opted out. He stressed the need to plan for a sufficient legislative budget to do the work needed. He asked for a chart that can be made available to the public showing all locally purchased power in Sonoma County, referencing the type of power and location.

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Director Cox stated there needs to be more work done with how the PCIA is explained to the public and would like to see more messaging on how to defend SCP when the PCIA increases.

Chair Slayter asked about a need to increase reserve amounts if SCP should expand service. CEO Syphers stated the \$50M goal for reserves was a number arrived at during formation and it will need to be revised, regardless of expansion. CEO Syphers also stated that Mendocino County would increase SCP's load by approximately 25%. SCP would be proportionately be accumulating reserves 25% faster, with addition of more program costs and risk. CEO Syphers proposed bringing more specifics to the Board on the cost of expansion, not a net cost, but possibly an up-front cost, preparing implementation plan, procuring additional energy, public outreach, etc.

Public Comment:

Fred Allenbach - Acknowledges greenhouse gas emissions are a problem and is in support of switching to electric vehicles and EverGreen, expansion

Kevin Conway - Interested in being off the grid, wide-scale approach would help reduce greenhouse gas emissions. He would like profits to go towards solar panel purchases for homes.

George Beeler - Would like to track demand charge cap to see what that is costing SCP. Also need to educate public on demand charges, along with PCIA.

Director Cook agreed with the idea of an audit of how money saved by customers is affecting the local economy and using it as a tool for the future. Director Okrepkie agreed with the need to work on a local preference policy, to continue to look at local projects, helping the local economy, and continue working on being self-sufficient. Director Schwartz would like to see how funds spent on programs produce greenhouse gas reductions. Director Carrillo agreed with setting greenhouse gas reduction goals and stated the importance of looking at expansion as a way to be more competitive. Director Landman stated he did not see NetGreen and other programs as subsidized as they assist in keeping funds in the local economy. Vice Chair King stated he would like to see a collective summary of programs and progress so the public is aware that the agency is pushing towards clean and renewable power of all types. He also stated the importance of remembering that customers primarily make decisions on the amount of their bills, so important to keep rates stable and competitive. Director Wysocky stated the importance of not losing sight of how the public views rates and outreach should continue to educate the public about CCAs. Chair Slayter stated that all goals were presented in the packet and that reducing rates, increasing customer outreach and the other goals can all make a difference.

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Motion to approve Fiscal Year 2016/2017 Budget by Director Landman  
Seconded by Director Cox

Motion approved 9-0-0

5. Approve SCP Rates for Fiscal Year 2016/2017 (9:01 A.M.)

Public Comment: No additional comment

Motion to approve Fiscal Year 2016/2017 Rates by Director Okrepkie.  
Seconded by Don Schwartz

Motion approved 9-0-0

**IV. BOARD MEMBER ANNOUNCEMENTS (10:47 A.M.)**

Chair Slayter noted upcoming SCP Board meeting dates,  
Director Carrillo noted SCP was acknowledged at the Green Business Awards  
and encouraged SCP to work with local companies that are working to improve  
the climate and local economy.

**V. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA (10:50 A.M.)**

Bob Anderson - noted carbon-reduction amounts in report.

**VI. ADJOURN**

The meeting was adjourned at 10:51 A.M.

Respectfully submitted,



**Stephanie Reynolds,  
Internal Operations Manager**