



MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

A regular meeting of the Board of Directors was held on **July 16, 2020** by teleconference pursuant to the Ralph M. Brown Act (Cal Gov't Code 54950 et seq.) and Governor Newsom's Executive Order No. 29-20.

This meeting was called to order at 10:03 AM by the President.

The following Board Members (B) and Alternates (A) were present:

Dukku Lee (B), Manny Robledo (B), Tom Miller (B), Jorge Somoano (B), Ramzi Raufdeen (A), Rebecca Gallegos (B), Steve Zurn (B), Henry Martinez (B), Todd Corbin (B), Eric Klinkner (A), Danny Garcia (A), Reiko Kerr (A)

Staff Members present were:

SCPPA: Mike Webster, Richard Morillo, Katie Ellis, Aileen Ma, Daniel Hashimi, Amy Mmagu, Tanya DeRivi, Bryan Cope, John Quan, Randy Krager, Salpi Ortiz, Jessica Chu, Nicole Solano, Joanna Lopez, Joan Ilagan, Peter Huynh, Matt Curtis

Attorneys, Member Employees and Consultants present were:

Victor Hsu (Norton Rose Fulbright), Lori Morrish (LADWP)

1. Notice/Agenda and Opportunity for the Public to Address the Board

Mr. Webster took a roll call of the Board and asked legal to call for a quorum. Mr. Somoano went through the web conference protocol and invited comments from the public. There being none, Mr. Somoano moved on to the next item to elect a first vice president and, if necessary, a second vice president Vice President due to Gurcharan Bawa's decision to resign as first vice president effective June 30, 2020.

2. Election of Officers

Mr. Somoano went through the election process and asked the Board for nominations for first vice president. Mr. Lee nominated Mr. Miller from Banning. There were no other nominations, so Mr. Somoano declared Mr. Miller elected to the position. Mr. Miller's election as first vice president created a vacancy in the position of second vice president, and so Mr. Somoano asked for nominations to replace Mr. Miller in that position. Mr. Miller nominated Mr. Zurn from Glendale to be second vice president. There being no other nominations, Mr. Somoano declared Mr. Zurn elected.

3. Consent Calendar

Mr. Somoano then asked for a motion on the Consent Calendar, which consisted of the following items:

A. Minutes of the Board of Directors Meeting

- May 21, 2020

B. Resolution 2020-085:

- Approve Amendment No. 1 to the Master Professional Services Agreement between the Authority and Partner Energy, Inc., for Energy Efficiency Assessments and Energy Audits, to extend the term for three (3) years, through and including July 24, 2023.

C. Resolution 2020-086:

- Ratifying and confirming payment of \$21,000.51 and \$807.98 toward the Authority's share of cost of the study conducted pursuant to the West Coast Clean Transportation Corridor Initiative and authorizing the Executive Director to pay any additional charges allocable to the Authority up to the originally authorized limit of \$22,500.00.

D. Resolution 2020-087:

- Approve an additional contribution to the Authority's Revolving General Fund for payment of annual dues to the American Public Power Association.

E. Resolution 2020-088:

- Approve revised Power Purchase Agreement for the Red Cloud Wind between the Authority and Red Could Wind, LLC, to permit a negotiated one-time limited reduced capacity commitment by Red Cloud Wind, LLC, prior to commercial operation of the Project due to transmission constraints.

F. Receipt and File:

- Finance Committee Minutes: May 4, 2020
- Monthly Investment Report: April 2020
- Monthly investment Report: May 2020
- SCPPA Financial Statement: Third Quarter ended 03-31-2020
- SCPPA A&G Budget Comparison Report: Third Quarter ended 03-31-2020
- Magnolia Power Project Operations Report: May 2020
- Magnolia Power Project Operations Report: June 2020
- Palo Verde Project Status Report: June 2020

- Moved by: Tom Miller from Banning
- Seconded by: Steve Zurn from Glendale
- Mr. Webster took rollcall vote:

	<i>Yes</i>	<i>No</i>	<i>Present, Not Voting</i>	<i>Absent</i>
<i>Anaheim</i>	X			
<i>Azusa</i>	X			
<i>Banning</i>	X			
<i>Burbank</i>	X			
<i>Cerritos</i>	X			
<i>Colton</i>	X			
<i>Glendale</i>	X			
<i>IID</i>				X
<i>LADWP</i>	X			
<i>Pasadena</i>	X			
<i>Riverside</i>	X			
<i>Vernon</i>				X

Unanimously approved by Members present, except that Riverside abstained on Item C, Resolution 2020-086.

4. Executive Director's Report

Working Group Update: Mr. Webster updated the Board on the addition of the current and upcoming RFP section on the working group report. He highlighted the Resource Adequacy RFP, which will close at the end of July 2020, Distributed Energy Resources Demand Management Systems (DERMS), along with Energy Efficiency Audits and Direct Installation Services would all close in August of 2020. Mr. Webster also mentioned some upcoming RFP's, including the State and Federal Regulatory Consultant RFP's.

5. Government Affairs: Director's Report

Ms. DeRivi updated the Board on forthcoming revisions to CARB's SF6 gas insulated switchgear rule, to be released later this month with a 60-day formal comment period. Ms. DeRivi believes the CARB Board will hear an update from staff in September, issue an additional directive for any changes with a 15-day comment period, and planned approval in quarter one 2021. Ms. DeRivi requested all SPPA Members have their technical staff review these proposed revisions for impact and analysis. Ms. DeRivi also updated the Board on the recently adopted Advanced Clean Truck rule, which was unanimously adopted by the CARB Board. Ms. DeRivi mentioned that there would be a one-time fleet survey issued shortly. Ms. DeRivi has also asked that CARB hold a webinar for stakeholders so Members can both understand the rationale behind the new survey and be able to ask questions. The anticipated due date on this survey is in early April of 2021.

Ms. DeRivi gave a quick update on the California Energy Commission's (CEC) efforts to revise the RPS Enforcement Procedures for POUs. Ms. DeRivi is expecting to see the final 15-day package next week. CEC is working on getting final approval at their August 12th business meeting and for the revised regulation to become effective in December 2020.

On State Legislation, Mrs. Mmagu updated the Board on the status of AB 740 Microgrids, AB 841 Schools/Energy Efficiency Programs, and AB 1720 Long-Duration Bulk Storage Mandate.

On Federal Legislation, Ms. DeRivi provided an update on the House-passed infrastructure bill (H.R. 2). This multitrillion-dollar package had numerous favorable provisions for public power that included APPA priorities on Municipal Bond modernization and some "green energy" policy riders. However, while this bill is not expected to advance in the Senate, it does serve as a marker on where House Democrats would like to see Congress move to address climate change.

6. Program Development

Miss Lopez presented to the Board the system reliability, restoration, and response benchmarking services RFP. This RFP was a solicitation to choose a consulting firm to replace a previous provider, PA Consulting, to offer additional service with updated pricing. Ms. Lopez explained that SPPA received three proposals. All proposals were evaluated by SPPA staff and Members, which included Anaheim, Burbank, Los Angeles, and Pasadena. Ms. Lopez provided the Board with the evaluation criteria and recommended that the Board adopt Resolution 2020-089 to approve and authorize the Executive Director to execute a Master Professional Services Agreement with Pandora Consulting Associates for SR3 Benchmarking Services.

Resolution 2020-089 – Pandora Consulting Associates

- Moved by: Manny Robledo from Azusa
- Seconded by: Dukku Lee from Anaheim
- Mr. Webster took a rollcall vote:

	Yes	No	Present, Not Voting	Absent
Anaheim	X			
Azusa	X			
Banning	X			

Burbank	X			
Cerritos	X			
Colton	X			
Glendale	X			
IID				X
LADWP	X			
Pasadena	X			
Riverside	X			
Vernon				X

Unanimously approved by Members present.

Mr. Cope provided the Board the Fiscal Year 2019 Statewide Energy Efficiency Program Results, which was developed and filed along with CMUA and NCPA in compliance with SB1037. Mr. Cope reported that the results indicated a reduced annual energy requirement by 646 GWH, and a cut peak demand by 147 MW, a CA POU historic Energy Efficiency Program savings. Mr. Cope showed that Statewide annual energy savings had fallen 25% in the last two years since FY2017 when POUs achieved their highest level of annual energy savings of 862 GWH. However, peak demand reduction has increased by 30% during this same time period. Mr. Cope indicated the SCPPA members reduced their annual energy requirements by 73% of the Statewide total, and they cut peak demand by 78% in Statewide total.

7. Asset Management and Special Projects: Director's Report

Ms. Ellis reported on the quarterly budget vs. actual comparisons on all projects. Mr. Somoano wanted a clarification of the annual vs. year-to-date (YTD) budget. He asked if we can switch the budget to reflect YTD instead of the annual budget for the comparisons.

Ms. Ellis related to the Board that PNM will not be renewing their leased interest in Palo Verde Nuclear Generating Station. She explained that the leaseholders will be marketing 114 MWs to prospective buyers. Any existing owners or participants who have an interest in buying should connect with Ms. Ellis. Mr. Somoano asked if purchasing additional nuclear power will count as emission-free resource under SB100. Mr. Webster recommended that the Government Affairs team look into the language of SB100 and see if buying an additional share of Palo Verde would comply.

Next Ms. Ellis reported on the dispute resolution proceedings with ORMAT over the Northern Nevada Geothermal Portfolio PPA. She also updated the Board on San Juan activities: a teleconference that took place on May 22nd with Farmington and Enchant; the prospective purchase of River Station and Lake Station Water Diversion Assets by USBR; the transfer of reclamation liabilities to Westmoreland Reclamation; and forthcoming updates to the reclamation trust fund agreement to be presented at next month's Board Meeting. For information purposes only Ms. Ellis informed the Board that SCPPA renewed three agreements with two of our members for scheduling coordinator services at three different solar projects. All three agreements were extended for two years at the same price. For Linden Wind, Ms. Ellis informed the Board that SCPPA has been in the process of replacing the turbine O&M provider at the project and that we are close to finishing up a final contract with the winning bidder from the RFP. The contract will be presented to the Board for approval in August 2020. In the meantime, Ms. Ellis stated that it is necessary to acquire and install new software that's designed to provide access to the turbine. SCPPA and LADWP elected to purchase the software directly instead of through the new O&M provider. Ms. Ellis presented to the Board Resolution 2020-090, a Master Purchase Agreement and End User License Agreement from Backman Electronic GmbH for approval.

Resolutions 2020-90 – Project Vote Master Purchase Agreement and End User License Agreement for Bachman Electronic GmbH:

- Moved by: Reiko Kerr from LADWP
- Seconded by: Tom Miller from Banning

- Mr. Webster took a rollcall vote:

	Yes	No	Present, Not Voting	Absent
Anaheim	X			
Azusa	X			
Banning	X			
Burbank	X			
Cerritos	X			
Colton	X			
Glendale	X			
IID	X			
LADWP	X			
Pasadena	X			
Riverside	X			
Vernon				X

Unanimously approved by Members present.

8. Finance

Ms. Ma reported on the Canyon Bond Refunding. She reported that the goals of the refunding are to reduce risk and capture low interest rates for debt service savings. Ms. Ma stated that the Finance Committee recommended the approval of the resolution at their July 6th meeting. The anticipated financing schedule for the refunding is to bring documents for Board approval in August and for bond pricing to be done in September. Ms. Ma recommended that the Board adopt Resolution 2020-091 to authorize the preparation of financing documents for the refunding of Canyon Power Project Refunding Revenue Bonds.

Resolution 2020-091 – Project Vote -- Refunding Revenue Bonds for Canyon Power Project 2016 Series A, 2018 Series A and 2018 Series B.

- Moved by: Dukku Lee from Anaheim
- Seconded by: Manny Robledo from Azusa
- Mr. Webster took a rollcall vote:

	Yes	No	Present, Not Voting	Absent
Anaheim	X			
Azusa	X			
Banning	X			
Burbank	X			
Cerritos	X			
Colton	X			
Glendale	X			
IID	X			
LADWP	X			
Pasadena	X			
Riverside	X			
Vernon				X

Unanimously approved by Members present.

Ms. Ma next presented the IPA/SCPPA reimbursement letter agreement. Ms. Ma noted that SCPPA has been requested to provide payments-in-aid of construction to IPA. Ms. Ma indicated that SCPPA would incur costs to amend agreements between SCPPA and IPA, and between SCPPA and STS Continuing Project Participants. These costs are expected to be paid from the bond proceeds. However, if bond proceeds are not available, IPA will reimburse SCPPA for such costs under the reimbursement letter agreement. The total cost is not to exceed \$350,000. Ms. Ma recommended that the Board adopt Resolution 2020-092, authorizing the Executive Director to execute a reimbursement letter agreement with IPA.

Resolution 2020-092 – Project Vote -- Reimbursement Agreement with Intermountain Power Agency for Southern Transmission System Project Renewal Agreements.

- Moved by: Reiko Kerr from LADWP
- Seconded by: Dukku Lee from Anaheim
- Mr. Webster took a rollcall vote:

	Yes	No	Present, Not Voting	Absent
Anaheim	X			
Azusa	X			
Banning	X			
Burbank	X			
Cerritos	X			
Colton	X			
Glendale	X			
IID	X			
LADWP	X			
Pasadena	X			
Riverside	X			
Vernon				X

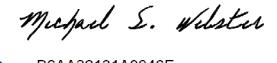
Unanimously approved by Members present.

9. Roundtable Discussion

The President, Mr. Somoano, asked if the Board would like to share any important information with the group. Mr. Robledo asked the Members if any of their utilities were considering using public benefit funds towards an emergency assistance program for low income during Covid-19 pandemic. Mr. Lee from Anaheim shared some of what their Utility is doing with their funds, and Mr. Zurn from Glendale discussed the adoption of GWP care program. Mr. Somoano of Burbank congratulated Mr. Cope on his APPA award. Mrs. Gallegos from Colton asked what other members were doing regarding after-hours calls if using answering service for power outages. SCPPA members provided some information to Mrs. Gallegos and said they would share information with her via email. Mr. Martinez from IID asked what other Utilities were doing regarding the use of face masks. If they had soft or hard requirements and what disciplinary actions, if any, they were taking for employees not following the guidelines. There was a lot of discussion regarding this issue, Mr. Somoano asked if Mr. Webster can coordinate through SCPPA working groups survey the members on what they are doing and share the information. Mr. Corbin shared some challenges that Riverside is facing with the new Governor's orders as they continue to change.

After no further comments from the Board, Mr. Somoano concluded the open session of the meeting at 11:51 a.m. and the Board then moved to a closed session, from which the meeting was adjourned at 12:53 p.m.

Respectfully Submitted,

DocuSigned by:

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Michael S. Webster
Assistant Secretary