



## **SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

### **NOTICE OF MEETING**

Board of Directors

**NOTICE IS HEREBY GIVEN** by the undersigned, as the Executive Director of the Southern California Public Power Authority, that a regular meeting of the Board of Directors is to be held as follows:

**Thursday, March 21, 2019**

**10:00 AM**

SCPPA Glendora Office  
1160 Nicole Court | Glendora, California  
(626) 793-9364

The following matters are the business to be transacted and considered by the Board of Directors:

**1. NOTICE / AGENDA AND OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD**

Members of the public may address the Board at this time on any item on today's agenda or any other item that is within the subject matter jurisdiction of the Board. Comments from members of the public shall be limited to three (3) minutes unless additional time is approved by the Board. Any member of the Board may request that items on the agenda be taken out of order, or that items be added to the agenda pursuant to the provisions of Section 54954.2(b) of the California Government Code.

**2. CONSENT CALENDAR**

All matters listed under the Consent Calendar are considered to be routine and will all be enacted by one motion. There will be no separate discussion of these items prior to the time the Board votes on the motion, unless one or more board members, staff, or the public requests that specific items be discussed and/or removed for separate discussions or action.

**A. Minutes of the Board of Directors**

For February 21, 2019

**B. Monthly Investment Report**

For January 2019

**C. Resolution 2019-020**

First Amendment to the Personnel Staffing Services Agreement between MFP Connect, LLC and the Southern California Public Power Authority.

**D. Resolution 2019-021**

Goods and Services Agreement (GSA), dated March 21, 2019 between SCPPA and ABB, Inc., per ABB quote# QT-19-01426301-4.

**E. Resolution 2019-006**

Large Generator Interconnection Agreement (LGIA) for Soda Mountain Soda, LLC

**F. Resolution 2019-022**

Amendment to SCPPA Investment Policy to conform policy with recent changes to state law

**G. Magnolia Power Project Coordinating Committee Minutes (Project Vote)**

Minutes of the Magnolia Power Project Coordinating Committee for February 21, 2019.

**3. EXECUTIVE DIRECTOR'S REPORT**

The Executive Director will report on activities since the last Board Meeting.

- Strategic Objectives

**A. Minutes of the Finance Committee**

For February 4, 2019

**4. DIRECTOR OF GOVERNMENT AFFAIRS' REPORTS**

The Director of Government Affairs will report on regional, state, and/or federal legislative and regulatory activities affecting Southern California public power utilities, including climate change and air quality, wildfires, renewable energy and traditional energy resources, transportation and building electrification, alternative energy supplies, resource planning, market and utility operations, and joint powers agreements.

- Legislative Update
- Wildfires

**A. SCPPA Monthly Federal Legislative Report**

**5. SPECIAL PRESENTATION**

Marcie Edwards – Critical issues impacting the Power Industry.

**6. RESOURCE AND PROGRAM DEVELOPMENT REPORTS**

The Managers of Resource and Program Development will report on current activities, including renewable energy project development, resource planning issues, Public Benefits, Electrification, and smart grid. Topics include:

- Joint Agency Fuel Substitution Working Group

**A. Resolution 2019-023**

Approval of a Master Professional Services Agreement with Optimized Energy & Facilities Consulting, Inc. ("OEFC").

## **7. DIRECTOR OF ASSET MANAGEMENT AND SPECIAL PROJECTS' REPORTS**

The Director of Asset Management and Special Projects will report on project-related staff and agent activities. Topics include:

- Springbok III 2018-19 Budget
- Milford Purchase Option
- Palo Verde Disaster Simulation

### **A. Project Reports**

- MPP Operations Report 02-2019
- Palo Verde Status Report 03-2019

### **B. Resolution 2019-024 (Project Vote)**

Springbok III 2018-19 Budget

## **8. ROUNDTABLE DISCUSSION**

Opportunity for Board Members to bring up informational items or request that an item be added to a future Board Agenda.

## **9. CLOSED SESSION**

- **Security:** Consultation with Michael S. Webster, Executive Director, and Richard J. Morillo, General Counsel regarding security issues pertaining to the essential public services (water and electric service), pursuant to Section 54957 (a) of the California Government Code.
- **Pending Litigation:** Conference with legal counsel regarding existing litigation related to the Natural Gas Reserves Project entitled *Southern California Public Power Authority, et al., v. Ultra Resources, Inc., and Related Cross-Action*, Adversary No. 17-3044 (MI) (United States Bankruptcy Court, S.D. Tx), pursuant to subdivision (a) of Section 54956.9(a) of the California Government Code.
- **Potential Litigation:** Conference with legal counsel regarding the potential initiation of litigation pursuant to subdivision (c) of section 54956.9 of the California Government Code (one potential case).
- **Potential Litigation:** Conference with legal counsel regarding significant exposure to litigation pursuant to subdivision (b) of section 54956.9 of the California Government Code (one potential case).

*The Authority, upon request, will provide reasonable accommodation to the disabled to ensure equal access to its meetings. To ensure availability, such request should be made 48 hours in advance by contacting the Authority at (626) 793-9364 during business hours.*



**MICHAEL S. WEBSTER**

Executive Director  
Southern California Public Power Authority



# 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 **March 21, 2019** at the offices of the Authority:*

**1160 Nicole Court  
Glendora, California 91740**

*This meeting was called to order at **10:00 AM** by the Vice President.*

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

Dukku Lee (B), Manny Robledo (B), Thomas Miller (B), Lincoln Bleavens (A), Ramzi Raufdeen (A), Rebecca Gallegos (A), April Fitzpatrick (A), Tony Allegranza (A), Reiko Kerr (A), Gurchuran Bawa (B), Angela Kimmey (A)

**Staff Members present were:**

Richard Morillo, Joanna Lopez, Rachel Pearson, Salpi Ortiz, Katie Ellis, Daniel Hashimi, Tanya DeRivi, Bryan Cope, Mike Bell (MBMC), Yolanda Pantig (LADWP), Peter Huynh (LADWP), Janis Lehman (Anaheim), Sabrina Barber (IID), Janet Lonecker (Anaheim), Diana Nguyen (LADWP), Tin Ha (LADWP), Sinar Cevallos (LADWP)

**Attorneys, Member Employees  
and Consultants present were:**

Victor Hsu (Norton Rose Fulbright), Marcie Edwards (MLE Consulting, Inc.), Tim Ferguson (NextEra Energy), Ben Herhold (NextEra Energy)

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

Mr. Bawa welcomed the Board and all attendees and requested each person present to introduce themselves. After introductions were made, Mr. Bawa opened the meeting for public comments. There being none, Mr. Bawa presented the Consent Calendar for Board approval.

### **Consent Calendar:**

- **Board Meeting Minutes** – From February 21, 2019
- **Monthly Investment Report** – For January 2019
- **Resolution 2019-020** – First Amendment to the Personnel Staffing Services Agreement between MFP Connect, LLC and Southern California Public Power Authority.
- **Resolution 2019-021** – Goods and Services Agreement (GSA), dated March 21, 2019 between SCPPA and ABB, Inc, per ABB quote# QT-1 9-01 426301 -4.
- **Resolution 2019-006** – Large Generator Interconnection Agreement (LGIA) for Soda Mountain Soda, LLC
- **Magnolia Power Project Coordinating Committee Minutes (Project Vote)** – Minutes of the Magnolia Power Project Coordinating Committee for February 21, 2019.

**Moved By:** Tom Miller

**Seconded By:** Lincoln Bleavens

**Unanimously Approved**

## 2. Executive Director's Report

In Mr. Webster's absence, no report was given.

## STAFF REPORTS

## 3. Director of Government Affairs' Report

Ms. DeRivi addressed the Board and informed that Nick Blair was at the Wildfire Technology Innovation Summit in Sacramento and was absent from the Board of Directors Meeting. Ms. DeRivi said the Board can expect a report as to what was discussed at the summit.

Ms. DeRivi introduced her topics: Legislation and Bill decisions as of March 20 and Wildfires. She advised the Board that Wildfires will be a recurring topic in the months to come.

- Legislation and Bill Decisions:

|  |                       |
|--|-----------------------|
| AB 56 (E. Garcia) Centralized Procurement                        | OPPOSE                |
| AB854 (Mayes) Takeover of IID Board Voting Rights                | OPPOSE                |
| AB915 (Mayes) Clean Energy Standard (80% RPS by 2038)            | OPPOSE                |
| AB 1083 (Burke) Report on Procurement Mandate Cost Impacts       | SUPPORT               |
| AB 1371 (Cunningham) Offshore Winds Procurement Mandate          | OPPOSE                |
| AB 1609 (Chen) Public Utilities Fireproofing Programs –          | OPPOSE                |
| SB 288 (Wiener) Electricity Self-Generation and Storage          | OPPOSE UNLESS AMENDED |
| SB 772 (Bradford) Long-Duration Bulk Storage Procurement Mandate | OPPOSE UNLESS AMENDED |

- Ms. DeRivi welcomed questions about state bills. There being none, Ms. DeRivi moved on to the topic of Wildfires.
- Wildfires
  - Potential legislation: SB 901 Wildfire Commission and CalFire Board Meetings
    - Expecting discussions about utility rights in April at CalFire
    - SCPPA has been the only utility attending Board Meetings
      - Asked all other utilities to pay close attention and to attend Board Meetings.
  - Yesterday, Government Affairs briefed L&R Working Group on Governor's office bringing in Strike Team
    - Advising on utility issues
    - Due date for potential solutions report

## SPECIAL PRESENTATION – MARCIE EDWARDS

## STAFF REPORTS, CONTINUED

### 4. Resource and Program Development Reports

Mr. Cope announced the promotion of Joanna Lopez to Utility Analyst.

Mr. Cope discussed CPUC, recent proceeding focused on implementation of Senate Bill 1477. Two key programs are: Building Initiative for Low Emissions Development (BUILD), and Technology and Equipment for Clean Heating (TECH).

BUILD is focused on developing near net zero homes in both single family and multi-family sections. TECH is focused on low emissions and space and water heating.

The Joint Agency Fuel Substitution Working Group is focused on the cost-effectiveness of current tests. There are many stake-holders who believe current tests are antiquated. The Joint Agency Fuel Substitution Working Group are focused on updating these tests.

CPUC uses a 3-prong test, which has a number of issues. The Joint Agency Fuel Substitution Working Group is currently evaluating. SMUD is working on new integrated resource planning tools to evaluate net system GHG emissions. SMUD staff is working to finalize tools to present to their Board before the end of Q2.

SMUD's tool provides an hourly evaluation of the impact of any distributed energy resource on the net system greenhouse gas emissions. They are able to evaluate the efficiency of a refrigerator, an electric vehicle, and changing to a heat pump.

Mr. Cope emphasized the interest in the environmental impact of what SMUD is doing. He mentioned CARB staff's enthusiasm to hear that a utility is working on this.

**Resolution 2019-023** – Approval of a Master Professional Services Agreement with Optimized Energy & Facilities Consulting, Inc. ("OEFC").

**Moved By:** Sabrina Barber      **Seconded By:** Manny Robledo

**Unanimously Approved**

Mr. Cope addressed questions from the Board regarding SMUD.

### 5. Director of Asset Management and Special Projects' Report

Ms. Ellis greeted the Board and presented Resolution 2019-024, the budget for Springbok III 2018-19. Ms. Ellis advised that this is an LA-only project and that the budget is only for the final months of the current fiscal year.

**Resolution 2019-024 (Project Vote)** – Springbok III 2018-19 Budget

**Moved By:** Reiko Kerr      **Seconded By:** Manny Robledo

**Unanimously Approved**

Ms. Ellis discussed the Milford Wind Project purchase option. This is the 10<sup>th</sup> anniversary of COD for this project, so it is time to consider the purchase option for the facility, which was included in the PPA.

LADWP and other participants on this project evaluated the costs involved and agreed to not move forward.

Ms. Ellis then gave a presentation on her recent trip to Palo Verde to observe their NRC drill. Ms. Ellis highlighted the procedure of the facility's drills and the improvements already in place, as a result of the drills. She also gave a detailed report on the various steps involved in the drill she observed. Ms. Ellis emphasized that this was the first time for a multi-unit drill.

Ms. Ellis expressed that this was a very impressive event to witness and commented that it inspires confidence in the current procedures in place and the dedication of those involved.

The Board asked for major lessons learned. Ms. Ellis said there will be, when the report becomes available. She also noted that the NRC grades more heavily for self-evaluation and gives credit if the facility is able to critique itself and identify their own mistakes.

There being no questions from the Board, Mr. Bawa then moved to a Roundtable Discussion.

#### **6. Roundtable Discussion**

Mr. Bawa asked the Board if there was any business they wished to discuss. No discussion ensued; however, Ms. Edwards commented that Mr. Webster had listened to the Board Meeting via phone.

#### **7. Closed Session**

There was no closed session at this meeting of the Board of Directors. The meeting was adjourned at **11:51 AM** by Mr. Bawa.

Respectfully Submitted,

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**David H. Wright**  
Secretary