



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, August 18, 2016
10:00 AM
SCPPA Glendora Office
1160 Nicole Court
Glendora, California 91740
(626) 793-9364

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

Pages

1. Notice/Agenda and Opportunity for the Public to Address 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. Members of the public may address the Board at this time on any agenda item of general interest, provided that item 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.

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 request that specific items be discussed and/or removed for separate discussions or action.

a. **Board Meeting Minutes**

July 21, 2016

5

b. Investment Reports	12
<ul style="list-style-type: none"> • June 2016 Monthly Report • June 2016 Quarterly Report 	
c. Resolution 2016-080	54
PMCI Contract	
d. Resolution 2016-081	83
Operation and Maintenance Agreement with Servion in regards to the Linden Project	
e. Resolution 2016-082	181
Balance of Plant Agreement with Cannon in regards to the Linden Project	
f. Resolution 2016-083	306
SCPPA Record Retention Schedule	
g. Resolution 2016-085	329
Settlement Agreement for the Springbok 1, 2 and 3 Solar Projects	

STAFF REPORTS

3. <u>Executive Director's Report</u>	332
The Executive Director will report on activities since the last Board meeting.	
a. Resolution 2016-072	333
Associate Membership Program	
4. <u>Director of Resource and Program Development</u>	
The Director of Resource and Program Development will report on current activities, including renewable energy project development, resource planning issues, Public Benefits and smart grid. Topics include:	
<ul style="list-style-type: none"> • Renewable Development • Program Development • CalETC Board Meeting • RFP Updates 	
a. Energy Systems Report	337

b.	Program Development Report	340
----	----------------------------	-----

5.	<u>Project Administration Director's Report</u>	343
----	--	-----

The Director of Project Administration will report on project-related staff and agent activities. Topics include:

- Hoover Audit
- MWD Project
- San Juan Performance
- Pinedale Tour

a.	Hoover Status Report	346
	08/2016	

b.	MPP Status Report	350
	07/2016	

c.	Palo Verde Status Report	357
	08/2016	

d.	San Juan Status Report	360
	08/2016	

6.	<u>Government Affairs Reports</u>	362
----	--	-----

The Director of Government Affairs will report on the regulatory activities at the state and federal level. Topics include:

- ARB Rulemakings
- CEC/IRP & RPS Updates
- Grid Regionalization
- Legislative Updates
- Aliso Canyon

a.	Legislative Monthly Report	364
----	----------------------------	-----

7. Chief Financial Officer's Report

375

The Chief Financial Officer will report on the status of current financing activities. Topics Include:

- Annual Report Timeline
- Project Stabilization Fund
- Audit Update
- Financial Market Update

a. Finance Committee Minutes

376

August 1, 2016

b. Resolution 2016-084

378

Project Stabilization Fund

c. Resolution 2016-086

388

Approve IID withdrawal from Project Stabilization Fund

8. New Business

New topics may be introduced in order to be added to the next meeting agenda for future consideration and action by the Board.

9. Closed Session

- **Public Employment:** Work review and performance evaluation of the Executive Director of the Authority pursuant to Section 54957 of the California Government Code.
- **Conference with Labor Negotiators:** SCPA designated representatives: Fred H. Mason, President; Richard J. Morillo, General Counsel.
- **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).



BILL D. CARNAHAN
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 August 18, 2016 at the offices of the Authority, 1160 Nicole Court, Glendora, California.

This meeting was called to order at 10:00 A.M. by President Mason.

The following board members (B) and alternates (A) were present: Fred Mason (B), Girish Balachandran (B), Jorge Somoano (B), George Morrow (B), Steve Zurn (B), David Wright (B), Kelly Nguyen (B), Marcie Edwards (A), Belen Valenzuela (A), Vince Brar (A), Reiko Kerr (A), Dukku Lee (B), Eric Klinkner (A),

Staff members were: Bill Carnahan, Richard Morillo, Steve Homer, Ted Beatty, Tanya DeRivi, Kevin Crawford, Erin Lewis, Salpi Ortiz, Daniel Hashimi, Katie Ellis, Bryan Cope, Arpi Lepedzhyan, Robert Duran, Aziz Danialian, Therese Savery

Attorneys, member employees and consultants present were: Stephen Cole, Jody Cross, Lincoln Blevins, Henry Martinez, Mike Bell

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

Mr. Mason afforded the public an opportunity to address the Board. There being no motion to do so, the board moved to the Consent Calendar.

1. Consent Calendar

(a) Board Meeting Minutes from July 21, 2016

(b) Investment Reports for June 2016

(c) Resolution 2016-080 (PMCI)
Agreement

(d) Resolution 2016-081 (Linden Wind Project)
O&M Agreement

(e) Resolution 2016-082 (Linden Wind Project)
BOP Agreement

(f) Resolution 2016-083 (SCPPA Policy)
Records Retention Policy

(g) Resolution 2016-085 (Springbok 1, 2 and 3 Projects)
Settlement Agreement

(h) Resolution 2016-084 (Project Stabilization Fund)

(i) Resolution 2016-086 (Project Stabilization Fund Withdraw)
Withdraw by IID

Consent Calendar was approved with the addition of Resolutions 2016-084 and 2016-086 as well as a correction to the July Board Minutes.

Moved by: David Wright
Seconded by: George Morrow
Unanimously Approved

2. Executive Director's Report

Mr. Carnahan prefaced the Associate Membership resolution discussion, recapping the discussion from the previous board meeting and the work that has been done since.

Mr. Beatty presented the proposed associate membership program and Mr. Carnahan proposed a pilot program. Mr. Balachandran expressed his concern of risk management with bringing in associate members and any additional SCPPA staff to handle would be a long term commitment that may not be offset by long term revenue. Mr. Crawford provided a sample of the cost allocation for an associate membership.

Mr. Balachandran and Mr. Mason showed concern about the CCAs and their potential impacts on the legislative issues and whether they would hinder SCPPA's work by having differing agendas and priorities. Mr. Carnahan re-established that this is a pilot program where these types of issues could be addressed and the program could be terminated if needed.

Resolution 2016-072 (Associate Membership Program)

Moved by: Girish Balachandran

Seconded by: George Morrow

Unanimously Approved

3. Resource and Program Development Report

Mr. Beatty reported on the upcoming projects that are to be coming online and synchronizing to the grid before the end of the year. Mr. Morrow asked if there is a risk to wild fires in the Antelope Valley region. Mr. Beatty responded in that our projects are not in any immediate danger, as there is no abundance of vegetation near the project sites.

Mr. Beatty discussed solar saturation and the significant increase that becomes over-generation and the amount of curtailment that may be seen by utilities in the future

Mr. Beatty reported on SCPPA's program development, energy storage and batteries and current RFPs SCPPA has under review and are receiving responses for. Mr. Beatty also provided a map of current electric vehicle ownership within the United States and projected numbers for the coming year

4. Project Administration Director's Report

Mr. Homer discussed the performance improvements in the San Juan Facility and the reclamation process.

Mr. Homer discussed the current negotiations that are currently underway for the MWD Small Hydro project

Mr. Homer provided a report on the Pinedale Project as well as the Hoover Audit.

5. Government Affairs Report

Ms. DeRivi discussed the ARB rulemakings in regards to the 2016 Cap and Trade Amendments and the compliance plan for the EPA Clean Power Plan.

Ms. DeRivi provided updates on the CEC RPS Enforcement Procedures for POU's, RPS Online Reporting System and Integrated Resource Planning guidelines.

Ms. DeRivi provided an update on the upcoming Aliso Canyon Winter Assessment Workshop

Ms. DeRivi also provided legislative updates that covered SB 350, SB 1393, AB 1110, SB 886, SB 32 and the NEM Bill.

Ms. DeRivi recapped the NCPA and SCPPA Lobby day that resulted in governance legislation for CAISO Regionalization.

6. Chief Financial Officer's Report

Mr. Crawford reviewed the annual report schedule

Mr. Crawford provided an update on the annual audit, which began the week of August 15th. The report will be issued no later than October 31, 2016.

Mr. Crawford provided a report of the financial market inclusive of the Bank of England and their rate cuts after Brexit, inflation and unemployment rates in July for the United States, home prices in the United States metro areas, California issuance bond ratings and how muni rates are affected from the Jobs Report and GO Credit Spreads.

7. New Business

Mr. Mason provided an opportunity for new business to be brought before the board. There being no new business the board moved to closed session.

8. Closed Session

The board entered into closed session at 11:55pm.

The board re-convened in open session at 1:29 pm and there being no further business, the meeting was adjourned at 1:29 pm.

Respectfully Submitted,

David H. Wright
Secretary

c: Board of Directors