



**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, February 16, 2017
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. SCPPA Board Minutes

January 19, 2017

b. Monthly Investment Report

December 2016

c.	Resolution 2017-003	4
	Approval of a Goods and Services Agreement with ARC Alternatives, Inc. (ARC).	
d.	Resolution 2017-004	23
	Approval of Amendment 2 to the Long Term Service Agreement ("LTSA") with General Electric International, Inc. ("GE") for the Apex Generation Station.	
	<u>STAFF REPORTS</u>	
3.	<u>Executive Director's Report</u>	35
	The Executive Director will report on activities since the last Board meeting.	
4.	<u>Government Affairs Reports</u>	36
	The Director of Government Affairs will report on the regulatory activities at the state and federal level. Topics include:	
	<ul style="list-style-type: none"> • ARB Updates • Integrated Resource Plan • Aliso Canyon • Legislative Update 	
a.	Monthly Federal Legislative Report	38
	February 2017	
b.	E&C Cybersecurity Hearing Memo	42
	<i>The Electricity Sector's Efforts to Respond to Cybersecurity Threats</i>	
5.	<u>Chief Financial Officer's Report</u>	
	The Chief Financial Officer will report on the status of current financing activities. Topics Include:	
a.	Finance Committee Minutes	45
	February 6, 2017	
b.	Resolution 2017-005	47
	Authorizing the issuance of Bonds to refund most of the Transmission Project Revenue Bonds, 2009 Series A ("STS 2009 Bonds").	
c.	Resolution 2017-006	307
	Authorizes the execution and delivery by SCPPA of the Continuing Disclosure Resolution relating to the issuance of Bonds to refund most of the Transmission Project Revenue Bonds, 2009 Series A ("STS 2009 Bonds").	
6.	<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:

- Development Update
- Resource Planning
- Energy Storage
- Energy Efficiency

a. Project Development Report 317

February 2017

b. Program Development Report 319

February 2017

7. Project Administration Director's Report 322

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

Topics include:

- 10 Year Forecast
- Palo Verde emergency diesel generator repair
- Ultra Net Profits Interest Filing
- San Juan early shutdown scenarios

a. Project Reports 326

- Hoover Status Report - February 2017
- MPP Operation Report - January 2017
- Palo Verde Status Report - January 2017

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

- **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).



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 February 16, 2017 at the offices of the Authority, 1160 Nicole Court, Glendora, California.

This meeting was called to order at 10am by the President.

**The following board members (B)
And alternates (A) were present:**

Fred Mason (B), Vince Brar (B), Dukku Lee (B),
Girish Balachandran (B), Ramon Abueg (A), George
Morrow (B), Jorge Somoano (B), Reiko Kerr (A), Kelly
Nguyen (B), Vivia Arellano (A), Eric Klinkner (A), David
Kolk (B)

Staff members present were:

Richard Morillo, Mike Webster, Ted Beatty, Tanya
DeRivi, Sarah Taheri, Salpi Ortiz, Katie Ellis, Mike Bell,
David Alba, Peter Huynh, Zarina Torres

**Attorneys, member
employees and
Consultants present were:**

Stephen Cole (Consultant), Chris Fresh (Cordoba)

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

Mr. Balachandran afforded the public an opportunity to address the Board. There being no request to do so, the Board proceeded to the Consent Calendar.

2. Consent Calendar

- (a) SCPPA Board Minutes for 01-19-2017
- (b) Monthly Investment Report for December 2016
- (c) Resolutions 2017-003
- (d) Resolution 2017-004

The consent calendar was approved as follows.

Moved By: Jorge Somoano
Seconded By: Reiko Kerr

3. Executive Director's Report

Mr. Webster thanked the Board for welcoming him to his first Board Meeting. He discussed his objectives for the next two months which were Operational Excellence and identifying high impact areas. Mr. Webster requested to meet with each Board member and their staff individually in the next several weeks to help prepare for the strategic planning all day session that has been scheduled for April 10th at SCPPA.

STAFF REPORTS

4. Government Affairs Report

Ms. Taheri reported on the 15-day ARB 2016 Cap and Trade Amendment language, SCPPA's support on continuation of the program and the following recommendations of improvements for allowance allocation; Opposing POU consignment of allowances to auction, factoring in transportation electrification initiatives for utility sector and to strongly oppose proposed "industrial shifts" of allowances. Ms. Taheri discussed the release of the ARB 2030 Scoping Plan and the reviewed the four alternatives that were presented and the 40% below 1990 Emissions levels.

Ms. DeRivi discussed the SB 350 Integrated Resource Plan, the February 23 Agency Workshop which included the CEC/CPUC GHG target setting and the CEC IRP Guidelines for POU's.

Ms. DeRivi reported on Aliso Canyon, SB 380 Implementation, CPUC/DOGGR workshops and the CPUC order to institute investigation on future facility use and Aliso Canyon SB 57 Extension Moratorium which replaced SB 146 for procedural reasons.

Ms. DeRivi briefed the Board on the State Legislative survey received by members and listed the all topics of interest by priority. Cap and Trade coming in as top priority and the allowance allocation issues.

5. Chief Financial Officer's Report

(a) Finance Committee Minutes for 02-16-2017

(b) Resolution 2017-005

Authorizing the issuance of Bonds to refund most of the Transmission Project Revenue Bonds, 2009 Series A ('STS 2009 Bonds").

	Approve	Deny	Present, Not Voting
Project Vote:			
Azusa			X
Anaheim	X		
Banning			X
Burbank	X		
Cerritos			X
Colton			X
Glendale	X		
IID			X
LADWP	X		
Pasadena	X		
Riverside	X		
Vernon			X

Moved By: Erik Klinkner
Seconded By: Dukku Lee
Unanimously Approved

(c) Resolution 2017-006

Authorizes the execution and delivery by SCPPA of the Continuing Disclosure Resolution relating to the issuance of Bonds to refund most of the Transmission Project Revenue Bonds, 2009 Series A ('STS 2009 Bonds').

	Approve	Deny	Present, Not Voting
Project Vote:			
Azusa			X
Anaheim	X		
Banning			X
Burbank	X		
Cerritos			X
Colton			X
Glendale	X		
IID			X
LADWP	X		
Pasadena	X		
Riverside	X		
Vernon			X

Moved By: Erik Klinkner
Seconded By: Dukku Lee
Unanimously Approved

Mr. Bell discussed both action items which were approved by the board.

6. Director of Resource and Program Development

Mr. Beatty gave an update on solar and wind PPA Development, biomass SB859 and biomethane RFP under Renewable Development. Mr. Beatty also discussed the changing market dynamics, the higher price volatility and the implications and opportunity for our members. He also reported on the DNV GL Energy Storage Evaluation and updated the Board of SB 350 Energy Efficiency doubling of energy meaning and targets. Mr. Beatty discussed the 2017 RKS Commercial Survey , the offering of a new enterprise subscription price for members with a 30% reduced price from 2016.

7. Project Administration Director's Report

Ms. Ellis reported on Palo Verde emergency diesel generator repair and showed pictures of the extensive damage to the generator. She updated the Board on the Ultra net profits interest filing of Pinedale. Ms. Ellis also reported on the San Juan early shutdown interest by some members and discussed options which were not favorable. Ms. Ellis provided the 10 year forecast and asked the board if they can distribute to their staff.

8. **New Business**

No new business was brought to the board.

There being no further business the board adjourned at 11:38 am.

Respectfully Submitted,

David H. Wright
Secretary

cc: SCPPA Board

**MINUTES OF THE
SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

A special meeting of the Board of Directors was held on February 16, 2017 at the offices of the Authority, 1160 Nicole Court, Glendora, California.

This meeting was called to order by the President at 11:30 am.

**The following board members (B)
And alternates (A) were present:**

Fred Mason (B), Vince Brar (B), Dukku Lee (B),
Girish Balachandran (B), Ramon Abueg (A), George
Morrow (B), Jorge Somoano (B), Reiko Kerr (A), Kelly
Nguyen (B), Vivia Arellano (A), Eric Klinkner (A), David
Kolk (B)

Staff members were:

Mike Webster, Richard Morillo,

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

Mr. Balachandran afforded the public an opportunity to address the Board. There being no request to do so, the Board went into Closed Session at 11:38 am to discuss the items listed below.

2. Closed Session

- **Public Employee Performance Evaluation:** Work review and performance evaluation of the Executive Director of the Authority pursuant to Section 54957 of the California Government Code.
- **Public Employee Performance Evaluation:** Work review and performance evaluation of the General Counsel of the Authority pursuant to Section 54957 of the California Government Code.

The Board returned from closed session at 12:15. Richard Morillo stated that there was nothing to report on from the closed session.

There being no further business the board adjourned at 1:25pm.

Respectfully Submitted,

David H. Wright
Secretary

cc: SCPPA Board