



**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, July 20, 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 /n

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. Minutes of the Board of Directors**

5

For May 18, 2017

**b. Monthly Investment Report**

10

For April 2017

<b>c. Monthly Investment Report</b>	<b>12</b>
For May 2017	
<b>d. SCPPA Combined Financials</b>	<b>14</b>
Ending March 31, 2017	
<b>e. Resolution 2017-066</b>	<b>64</b>
Approval of Enhanced Steam Path Upgrade Letter Agreement to be performed as Extra Work under the Long Term Service Agreement (LTSA) with General Electric International, Inc ("GE") for the Apex Generating Station. A new Steam Turbine Rotor will be installed to replace the damaged Steam Turbine Rotor.	
<b>f. Resolution 2017-067</b>	<b>113</b>
Approval of a Master Professional Services Agreement with Automated Energy, Inc.	
<b>g. Resolution 2017-068</b>	<b>129</b>
Energy Efficiency Program Development and Evaluation Services Agreement	
<b>h. Resolution 2017-069</b>	<b>141</b>
Approve Extension of Agreement for Professional Services as Chief Financial Officer with Michael Bell Management Consulting, Inc., with addition of a Utility Rate Forecast.	
<b>i. Resolution 2017-070</b>	<b>146</b>
Approval of a Master Professional Services Agreement with Muni-Fed Partner Energy, Inc.	
<b>j. Resolution 2017-071</b>	<b>164</b>
Resolution Revising and Correcting the Salary Schedule for SCPPA Employees.	

#### STAFF REPORTS

### **3. Executive Director's Report**

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

<b>a. Six Month Strategic Objectives Update</b>	<b>169</b>
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### **4. Government Affairs Reports**

**179**

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

- Post-2020 Cap-and-Trade
- 100% RPS

<b>a. SCPPA Monthly Federal Legislative Report</b>	<b>181</b>
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**5. Director of Resource and Program Development**

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:

- Project Development
- CCA Update
- SCPPA Working Groups

- a. **Project Development Report** 186  
For July 2017
- b. **Program Development Report** 188  
For July 2017

**6. Chief Financial Officer's Report**

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

- a. **Finance Committee Minutes** 190  
For June 5, 2017
- b. **Resolution 2017-072** 192  
Authorizing the extension of the Letter of Credit relating to the Magnolia 2009-1 (Project A) variable rate Bonds and conversion of such Bonds from a Weekly Interest Rate mode to a Daily Interest Rate mode.

**7. Project Administration Director's Report** 214

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

- Budget Comparisons for 3/31/17
- San Juan Exit Agreements

- a. **Project Budget Comparison Summary** 219
- b. **Project Reports** 429
  - Hoover Status Report
  - MPP Operations Report 05-2017
  - MPP Operations Report 06-2017
  - Palo Verde Status Report 07-2017
  - San Juan Status Report 04-2017
  - San Juan Status Report 05-2017
- c. **Resolution 2017-073** 449

Nine agreements related to the closing of San Juan Unit 3 on December 31, 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**

- **Public Employment:** Work review and performance evaluation of the General Counsel of the Authority pursuant to Section 54957 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).



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 July 20, 2017 at the offices of the Authority, 1160 Nicole Court, Glendora, California.

This meeting was called to order at 10:00 am by the President.

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

Girish Balachandran (B), Fred Mason (B), Vince Brar (A), Dukku Lee (B), Steve Zurn (B), George Morrow (B), Jorge Somoano (B), Kelly Nguyen (B), Gurcharan Bawa (B), Reiko Kerr (A) David Kolk (B) Dave Wright (B), April Fitzpatrick, (A) Daniel Garcia (A), Belen Valenzuela (A)

**Staff members present were:**

Mike Webster, Richard Morillo, Ted Beatty, Tanya DeRivi, Steve Homer, Salpi Ortiz, Katie Ellis, Greg Broeking, Bryan Cope, Daniel Hashimi, Yoli Pantig, and Peter Huynh, Arpi Lepedzhyan, Joanna Lopez

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

Stephen Cole (Attorney), Danielle Chupa (Cordoba), Thomas Cuccia (CalISO), Ramzi Raufdeen (Cerritos), Frank Messineo (Burbank), Nicole Hite (Cordoba intern)

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

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

### **Consent Calendar**

Board Meeting Minutes from May 18, 2017  
Monthly Investment Report for April and May 2017  
SCPPA Combined Financials Ending March 31, 2017  
Resolution 2017-067 – Master Professional Services Agreement with Automated Energy, Inc.  
Resolution 2017-068 – Energy Efficiency Program Development and Evaluation Services Agmt.  
Resolution 2017-069 – Extension of Agreement for Professional Services as CFO with Michael Bell Management Consulting, Inc. with addition of a Utility Rate Forecast  
Resolution 2017-070 – Master Professional Services Agmt. with Muni-Fed Partner Energy, Inc  
Resolution 2017-071 – Revision and Correction of the Salary Schedule for SCPPA Employees

The consent calendar was approved as follows.

Moved By: **George Morrow**  
Seconded By: **Dave Wright**

**Unanimously Approved**

Resolution 2017-066 – Letter Agreement with General Electric International, Inc (Project Vote)

	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

**2. Executive Director's Report**

Mr. Webster reported to the Board on the cost efficiency and savings on working group lunches, he noted that ordering individual lunches based on RSVP's, SCLPA saved over \$1,400 in the last few months.

Mr. Webster advised the Board that the job description for the CFO/CAO position has been completed and SCLPA plans to advertise the position in several weeks.

Mr. Webster reported on the success of the Innovation Workshop that was provided by PA Consulting and attended by 7 utilities. He recommended that the utilities who were not able to attend should consider next year.

Mr. Webster introduced Joanna Lopez to the Board as SCLPA's new Records Administrator and asked her to help show the Board SCLPA's new and improved website. With Joanna's help, Mr. Webster discussed the new member access tab on SCLPA's website and reviewed the new records recording software, Laserfiche and showed how members can have access to all permanent SCLPA records and documents.

Mr. Webster distributed Strategic Topic List and Workshops list to the Board and asked if they can number each list in order of priority and importance.

Mr. Webster and the Board had a lengthy discussion on the December Federal Legislative Briefing and Holiday luncheon, they discussed the importance of the meeting and if any changes should take place for 2018.

Six-Month Strategic Objectives Review-

## **STAFF REPORTS**

### **3. Government Affairs Report**

Mrs. DeRivi reported on State Legislative Scorecard relating to and Bill's, SCPPA positions' and the outcome.

Mrs. DeRivi updated the Board on the progress of the 2014 Survey of SCPPA members relating to ARB – SCPPA Priorities.

### **4. Director of Resource and Program Development**

Mr. Beatty discussed development activities within his working groups, including Biomass PPA's, Solar PPA's, and reviewed some of the 2017 Renewables proposals that SCPPA has received which comprised of Geothermal, Wind and Energy Storage.

Mr. Beatty reported on the 2 RFP's that SCPPA has posted, Electric Vehicle Charging Equipment and Electric Utility Load Management and two upcoming RFPs, Compressed Air Energy Storage and Scheduling and Trading.

Regarding SCPPA Working Groups, Mr. Beatty reported on key recommendations from the AGM meetings that were held. Some of the recommendations included revising WG charters, reconstitute or eliminated ineffective groups, adjust meeting frequency, improve information dissemination, ensure appropriate level of member participation, enhance working group leadership opportunities and focus towards utility of the future.

Mr. Beatty gave a brief review on Community Choice Aggregation groups and their structures, Activities and growth in California, CCA's motivations and risks. Mr. Beatty listed SCPPA opportunities with CCA's which included cost savings by joining SCPPA under associate member program, joint procurement on economies of scale, increased public power presence through aggregation and participation on SCPPA working groups. Mr. Beatty also listed some potential risks, for example credit differentials, longevity, goals not aligning with SCPPA and competing against POU's resources.

Mr. Beatty gave some recommendations regarding CCA's, they included monitoring their activities, identify opportunities to work with CCA's and explore their participation as associate members of SCPPA.

At 11:35am the President declared a recess in the meeting of the Board and a meeting of the Magnolia Coordinating Committee was convened pursuant to the notice given to the Magnolia Power Project Participants.

#### **Resolution 2017-001**

MPP Project Agreement (Project Vote)

MPP Participants approved the Resolution 2017-001.

The Board of Directors meeting resumed at 11:45am.

5. **Chief Financial Officer's Report**

**Resolution 2017-072**

Authorizing the extension of the Letter of Credit relating to the Magnolia 2009-1 (Project A), variable rate Bonds and conversion of such Bonds from Weekly Interest Rate mode to Daily Interest Rate mode.

Moved By: **David Kolk**

Seconded By: **Dukku Lee**

**Unanimously Approved**

6. **Project Administration Director's Report**

Mr. Homer reported on Budget Comparisons ending March 31, 2017 which included 37 budgets with actuals totaling \$619 million.

Mr. Homer discussed the San Juan Close out Agreements and asked the Board for approval on the following resolution.

**Resolution 2017-73**

San Juan Close out Agreements

		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: **Fred Mason**  
Seconded By: **Belen Valenzuela**

**Unanimously Approved**



7. **New Business**

None

8. **Closed Session.**

The President declared an end to the public portion of the meeting and the board then went into closed session to discuss the items listed on the meeting notice. The meeting was adjourned by the Board at the conclusion of the closed session discussion.

Respectfully Submitted,

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David H. Wright  
Secretary

cc: SCPPA Board