



## **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 15, 2018**

**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 request that specific items be discussed or removed for separate discussion or action.

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

For February 15, 2018.

**B. Monthly Investment Report**

For January 2018.

**C. Resolution 2018-012**

Approval of the Master Professional Services Agreement with Lincus, Inc. to provide GHG verification services to the SCPPA members.

**D. Resolution 2018-013**

Approval of an Amendment to the existing Goods and Services Agreement with AM Conservation Group, Inc.

**E. Resolution 2018-014**

Approval of an Amendment to the existing Goods and Services Agreement with The Center for Sustainable Energy.

**F. Resolution 2018-015**

Approval of an Amendment to the existing Goods and Services Agreement with Greenlite Lighting Corporation USA.

**G. Resolution 2018-016**

Request for approval of a three-year subscription to ABB Advisors Services for WECC regional power reference case market data.

**H. Resolution 2018-017**

EPS Compliance Filing for ARP-Loyalton Biomass Project.

**3. EXECUTIVE DIRECTOR'S REPORT**

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

- Six-Month Strategic Objectives

**4. LEGAL**

The Board will discuss and provide direction to staff on possible changes to process for electing or appointing SCPPA Officers.

**5. GOVERNMENT AFFAIRS REPORTS**

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

- NCPA's Legislative & Regulatory organization
- CARB Cap-and-Trade

**A. SCPPA Monthly Federal Legislative Report**

**6. 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 Updates
- CCA Update
- Strategic Topics

- Subscriptions
- Electrification Best Practices

**A. Project Development Report**

For February 2018.

**B. Program Development Report**

For February 2018.

**7. CHIEF FINANCIAL AND ADMINISTRATIVE OFFICER'S REPORT**

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

- Budget Performance Report
- Canyon Bond Refunding Update
- Market Update

**A. Finance Committee Minutes**

For February 5, 2018.

**B. Resolution 2018-018**

Authorizing the Preparation of Financing Documents for Refunding the Southern Transmission System (STS) Project, 2008 Subordinate Refunding Series A and 2009 Subordinate Refunding Series A Bonds.

**8. PROJECT ADMINISTRATION DIRECTOR'S REPORT**

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

- Palo Verde 2017 Year in Review
- Project 10-Year Forecasts

**A. Project Reports**

- MPP Operations Report 02-2018
- Palo Verde Status Report 03-2018

**9. ROUNDTABLE DISCUSSION**

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

**10. CLOSED SESSION**

- **Conference with Labor Negotiator:** SCLPPA designated representative: Michael S. Webster, Executive Director. Unrepresented employees: All SCLPPA staff (excluding Executive Director).
- **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.

- **Public Employment:** Work review and performance evaluation of the Executive Director 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).

*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 15, 2018 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:      Dukku Lee (B), David Wright (B) Jorge Somoano (B), Gurcharan Bawa (B), Kelly Nguyen (B), Stephen Zurn (B), Thomas Miller (B), Yarek Lehr (B), Todd Jorgensen (B), Vince Brar (A), Vicken Kasarjian (A), Reiko Kerr (A), Daniel Garcia (A), Erik Klinkner (A)

Staff Members present were:      Mike Webster, Richard Morillo, Russell Mills, Steve Homer, Tanya DeRivi, Daniel Hashimi, Ted Beatty, Bryan Cope, Katie Ellis, Joanna Lopez, Arpi Lepedzhyan

Attorneys, Member Employees and Consultants present were:      Stephen Cole (Norton Rose Fulbright), Yolanda Pantig (SCPPA-LA), Peter Huynh (SCPPA-LA), Janice Lehman (Anaheim), Mariana (Riverside), Benjamin Herhold (NextEra Energy), Daniel Lopez (Public - CSUF Grad Student)

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

Mr. Lee 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 February 15, 2018

Monthly Investment Report for January 2018

***Resolution 2018-012*** – Approval of a Master Professional Services Agreement with Lincus, Inc. to provide GHG verification services to the SCPPA Members.

***Resolution 2018-013*** – Approval of an Amendment to the existing Goods & Services Agreement with AM Conservation Group, Inc.

***Resolution 2018-014*** – Approval of an Amendment to the existing Goods & Services Agreement with Center for Sustainable Energy.

***Resolution 2018-015*** – Approval of an Amendment to the existing Goods & Services Agreement with Greenlite Lighting Corporation USA.

***Resolution 2018-016*** – Request for an approval of a three-year subscription to ABB Advisors Services for WECC regional power reference case market data.

***Resolution 2018-017 (Project Vote – ARP-Loyalton Biomass Project)***

EPS Compliance Filing for ARP-Loyalton Biomass Project.

Member	Project Vote		Present, Not Voting
	Approve	Deny	
Azusa			X
Anaheim	X		
Banning			X
Burbank			X
Cerritos			X
Colton			X
Glendale			X
Imperial			
Irrigation District	X		
Los Angeles	X		
Pasadena			X
Riverside	X		
Vernon			X

The consent calendar was approved as follows.

Moved By: **Vicken Kasarjian**  
Seconded By: **David Wright**

**Unanimously Approved**

**2. Executive Director's Report**

Mr. Webster provided the Board with an update on the progress of five of the listed items on the Six-Month Strategic Objectives.

Mr. Webster noted the progress on the Legislative and Regulatory working groups structure and the outcome of first face-to-face meeting with members' managers.

Mr. Webster cited the preliminary schedule for the SCPPA Annual Conference. Mr. Webster detailed that the goal of the Annual Conference is to facilitate a discussion on collaboration between and within SCPPA Member Utilities. Mr. Webster asked the Board to invite all of their staff to participate in the event.

Mr. Webster discussed the progress of the Workforce Development Program. Mr. Webster provided the Board with the option of choosing to delay the program to a later date, or initiating the program immediately. Mr. Webster noted the importance of the program and asked that the Board state their choice at the Strategic Planning Meeting.

Mr. Webster announced the initiation of the Cybersecurity working group which will host its first meeting on April 17<sup>th</sup>. Mr. Webster asked for Board Member's to designate one of their members to participate in the working group.

Mr. Webster announced the scheduling for the next Strategic Planning Meeting to be held on April 19<sup>th</sup> after the scheduled 8:00 AM Board Meeting. Mr. Webster noted that the Strategic Planning meeting would have a new stand-in facilitator.

### **STAFF REPORTS**

#### **3. Legal**

Mr. Morillo provided the Board with information on the process for electing and appointing SCPPA Officers. Mr. Morillo cited that the precedent for the current election and appointment process derived from the SCPPA By-Laws and historical SCPPA documents referencing the process.

The Board discussed alternate options for the election and appointment of SCPPA Board Officers moving forward. A suggestion for a limit of two successive terms was brought forth. A follow-up discussion regarding the suggested changes was scheduled for the next regularly scheduled Board Meeting.

#### **4. Government Affairs Report**

Ms. DeRivi discussed the 2018 CARB Cap-and-Trade Rulemaking.

Ms. DeRivi welcomed Jane Cirrincione, of Northern California Power Agency (NCPA) to discuss the current organization of NCPA's Legislative & Regulatory Program. Ms. Cirrincione noted that each of NCPA's 16 members are required to participate in the Legislative & Regulatory programs. Ms. Cirrincione detailed the structure of the Legislative & regulatory Committee and listed the programs and policy positions overseen by the committee. Ms. Cirrincione presented the methods for advancing policy objectives and the various event outlets used to do so. Ms. Cirrincione provided the Board with an opportunity to ask questions and offer comments.

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

Mr. Beatty provided the Board with an update on projects. Mr. Beatty highlighted the Solar Projects EDF Maverick Desert Harvest and Springbok 3 noting that EDF is close to completion and Springbok 3 is nearing a financial close with expected Commercial Operation by 2019. Mr. Beatty cited the ARP-Loyalton Biomass Project to be completed by the end of month. Mr. Beatty stated the need to issue an RFP for 11MW of Biomass in the near future. Mr. Beatty mentioned interest in geothermal projects by several SCPPA members and detailed that several geothermal projects would be in development in next few months.

Mr. Beatty discussed the results of the initial polling of strategic "Cutting Edge" topics list. Mr. Beatty asked that the Board and Board Alternates poll their own utilities and return the results so that they may be prioritized for future member meetings and workshops.

Mr. Beatty presented on subscriptions presently offered by SCPPA and the respective member involvement in each of the subscriptions. Mr. Beatty highlighted the subscriptions as RKS Research and Consulting and Smart Electric Power Alliance.

Mr. Beatty provided a CCA Update noting the change in growth of CCAs. Mr. Beatty detailed the CPUC's slowing impact on CCA growth; the CPUC's requirements have caused delays up to 1 year.

Mr. Beatty invited Mr. Cope to speak on Electrification Best Practices. Mr. Cope provided the Board with a history and evolution of the Electrification working group. Mr. Cope provided three value propositions regarding high-efficiency heat pumps as an opportunity for electrification of space- and water-heating. Mr. Cope highlighted areas from the Electrification white paper including: importance of investing in transportation electrification, implementing cost-effective transportation, collaboration and integrated planning efforts, market research and resource needs assessments, and financial considerations. Mr. Cope demonstrated the benefits of electrification with program and valuation examples.

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

Mr. Mills updated the Board on the status of the budget with a Budget Performance Report. Mr. Mills identified which areas of the budget were over- or under- budget. Mr. Mills noted that the Budget Performance Report would be presented on a quarterly basis.

Mr. Mills provided the Board with an update on the Canyon Bond Refunding since the approval process at the previous Board Meeting. Mr. Mills detailed the schedule of the bond refunding.

Mr. Mills asked for Board Approval on Resolution 2018-018 regarding the Southern Transmission System Project Bonds.

#### ***Resolution 2018-018 (Project Vote – Southern Transmission System Project)***

Authorizing the Preparation of Financing Documents for Refunding the Southern Transmission System (STS) Project, 2008 Subordinate Refunding Series A and 2009 Subordinate Refunding Series A Bonds.

Member	Project Vote		
	Approve	Deny	Present, Not Voting
Azusa			X
Anaheim	X		
Banning			X
Burbank	X		
Cerritos			X
Colton			X
Glendale	X		
Imperial Irrigation District			X
Los Angeles	X		
Pasadena	X		
Riverside	X		
Vernon			X

Moved By: **Jorge Somoano**  
Seconded By: **Gurcharan Bawa**

**Unanimously Approved**



Mr. Mills gave a Market Update highlighting rate increases and noting that SPPA is in a similar position to the previous year. Mr. Mills presented a positive outlook for refunding and long-term project financing.

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

Mr. Homer displayed the 10-Year Forecasts for all of SPPA's Projects updated to reflect forecasts through FY 2026-2027.

Mr. Homer presented the Palo Verde Project 2017 Year in Review. Mr. Homer boasted Palo Verde's 93.8% capacity factor which is listed as the third highest in the plant's history. Mr. Homer noted that Palo Verde has been the largest producer of energy in US for 29 consecutive years producing 80% of Arizona's clean energy. Mr. Homer reviewed each of the three units 24 month performance history. Mr. Homer discussed potential political changes that could rule future performance as uneconomic.

Mr. Homer briefly listed ongoing activities with projects including: Palo Verde, San Juan, Gas Projects, Hoover, Apex, Tieton, Springbok I & II, Astoria 2, Pebble Springs, Copper Mountain Solar 3, and Heber 1.

8. **Roundtable Discussion**

Board Members were given a two minute opportunity to bring up informational items or request that an item be added to a future Board Agenda. Board Members were also offered the opportunity to defer items to the scheduled Strategic Planning Meeting.

9. **Closed Session**

There was no closed session. The meeting was adjourned at **12:18 PM** by the Board.

Respectfully Submitted,

---

David H. Wright  
Secretary