



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, October 18, 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, 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

For September 20, 2018

B. Minutes of the Magnolia Coordinating Committee (Project Vote)

For September 20, 2018

C. Monthly Investment Report

For August 2018

D. Resolution 2018-091

Participation Agreement with Los Angeles Department of Water and Power for Training Program Services

E. Resolution 2018-092

Approval of a Goods and Services Agreement with Pandora Consulting, LLC

3. EXECUTIVE DIRECTOR'S REPORT

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

- Strategic Objectives

4. CHIEF FINANCIAL AND ADMINISTRATIVE OFFICER'S REPORTS

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

- 2018 SCE/ SDG&E Rate Forecast
- Natural Gas and Energy Prepayment Program Request for Proposal – Discuss current status of member interest in soliciting an RFP and Term Sheet for a possible pre-pay discount for natural gas and energy commodity services

A. Finance Committee Minutes

For September 10, 2018

B. Resolution 2018-094 (Project Vote)

Authorizing suspension of Barclays basis swap

C. Resolution 2018-095 (Project Vote)

Authorizing suspension of RBC basis swap

D. Resolution 2018-096

Third Amendment to Professional Services Agreement with PFM Financial Advisors, LLC

5. DIRECTOR OF RESOURCE AND PROGRAM DEVELOPMENT'S REPORTS

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:

- Community Choice Aggregate Update
- Low Carbon Fuel Standard Update

- Mammoth Casa Diablo IV Energy Project

A. Resolution 2018-093

Mammoth Casa Diablo IV Energy Project to provide in total approximately 20 MWs of long-term geothermal supply of renewable electrical energy through the Southern California Public Power Authority ("SCPPA" or "the Authority") to two of its participating Members, the City of Banning ("Banning") for 5 MWs and the City of Colton ("Colton") for 15 MWs, for the purpose of satisfying each utility's renewable electrical energy resource goals.

6. DIRECTOR OF ASSET MANAGEMENT AND SPECIAL PROJECTS' REPORTS

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

- Project Performance Update

A. Project Reports

- MPP Operations Report 09-2018
- Palo Verde Status Report 10-2018

7. 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.

- Greenhouse Gas Emissions Regulations

A. SCPPA Monthly Federal Legislative Report

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.
- **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 October 18, 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), Manny Robledo (B), Stephen Zurn (B), David Wright (B), Todd Jorgenson (B), Kelly Nguyen (B)

Jim Steffens (A), Bob Liu (A), Vince Brar (A), Jessica Sutorus (A), Henry Martinez (A), Eric Klinkner (A), Danny Garcia (A)

Staff Members present were: Michael Webster, Ted Beatty, Richard J. Morillo, Katherine Ellis, Daniel Hashimi, Randy Krager, Joanna Lopez, Tanya DeRivi, Amy Mmagu, Nicholas Blair

Attorneys, Member Employees, and Consultants present were: Yolanda Pantig (SCPPA-Downtown), Peter Huynh (SCPPA-Downtown), Mike Bell (Michael Bell Management Consulting), Stephen Cole (Norton Rose Fulbright), Victor Hsu (Norton Rose Fulbright), Spencer Overton (Moss Adams), Keith Simovic (Moss Adams), Benjamin Herhold (Next Era Energy), Steve Henriksen (Ormat Technologies), Paul Thomsen (Ormat Technologies), Ray Burgess (Public)

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.

Mr. Lee asked for a change in the order of agenda items to move the Director of Government Affairs' report before the Executive Director's report and invited Ms. DeRivi to present.

2. Director of Government Affairs' Report

Ms. DeRivi reported on the Greenhouse Gas Emissions Regulations.

3. Consent Calendar

- Board Meeting Minutes from September 20, 2018
- Magnolia Coordinating Committee Minutes (Project Vote) from September 20, 2018
- Monthly Investment Report for August 2018
- ***Resolution 2018-091*** – Participation Agreement with Los Angeles Department of Water and Power for Training Program Services.
- ***Resolution 2018-092*** – Approval of a Goods and Services Agreement with Pandora Consulting, LLC.

The consent calendar was approved as follows:

Moved By: **Eric Klinker**

Seconded By: **Kelly Nguyen**

Unanimously Approved

4. Executive Director's Report

Mr. Webster announced that the SCPA Factbook won two awards – one from Fiona Hutton & Associates, and one from APPA – and asked that Board Members continue to share the Factbook with their Board and representatives.

Mr. Webster highlighted item number one on page two of the Strategic Objectives regarding the Energy Storage Workshop. Mr. Webster boasted the large turnout of the workshop and the benefits of hosting the workshop to bridge the communication gaps between the working groups. Mr. Webster announced that the next workshop held at the SCPA Training Center would be on Electrification.

Mr. Webster highlighted the progress of item number one on page three regarding the development of technical reports and business case models. Mr. Webster noted that Transportation Electrification will be the first business case to be developed.

Mr. Webster noted the changes to various items on pages four and five as they relate to the currently vacant CFO position. Mr. Webster announced the changes to the SCPA CFO/CAO recruitment to encourage a larger candidate pool and successfully hire a long-term employee. Mike Bell and Greg Broeking contract to be extended to continue support until SCPA is able to fill position.

Mr. Webster announced that the November 15 Board of Directors Meeting will be located in Los Angeles to ease the coordination efforts of, and facilitate discussion between, NREL and the SCPA Board.

STAFF REPORTS

5. Chief Financial & Administrative Officer's Report

Mr. Bell reported on the 2018 SCE/ SDG&E Rate Forecast. Mr. Bell noted that a draft of this study has previously been distributed to member staff and discussed at the SPPA Finance Committee. Mr. Bell noted that the report will not be finalized until feedback from all board has been reviewed. Mr. Bell discussed the 2018 rate changes and noted that the increases have been smaller in relation to previous years. Mr. Bell compared 2017 to 2018 and noted that the actual rate was listed at the same amount of the low end of the original forecast.

Mr. Bell discussed the current status of member interest in soliciting an RFP and Term Sheet for a possible pre-pay discount for natural gas and energy commodity services

Mr. Bell provided the Board with the Finance Committee Minutes For September 10, 2018.

Mr. Bell summarized Resolution 2018-094 and 2018-095 regarding the Magnolia Power Project suspensions and asked the Board for a single motion for the two items.

Resolution 2018-094 (Project Vote) – Magnolia Power Project

Authorizing suspension of Barclays basis swap

Resolution 2018-095 (Project Vote) – Magnolia Power Project

Authorizing suspension of RBC basis swap

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

Resolutions 2018-094 and 2018-095 were approved as follows:

Moved By: **Stephen Zurn**

Seconded By: **Vince Brar**

Approved

Mr. Bell highlighted the terms for amending the Professional Services Agreement with PFM Financial Advisors and asked for Board approval on Resolution 2018-096.

Resolution 2018-096 – Third Amendment to Professional Services Agreement with PFM Financial Advisors, LLC

Resolution 2018-096 was approved as follows:

Moved By: **Dukku Lee**

Seconded By: **Kelly Nguyen**

Unanimously Approved

A Special Meeting of the Board of Directors was convened and held concurrently with the regularly scheduled meeting then in progress.

6. Director of Resource and Program Development's Report

Mr. Beatty discussed the upcoming development of the 29 MW Mammoth Casa Diablo IV Energy Project. Mr. Beatty announced that the developer, Ormat Technologies, was available to answer any questions. Mr. Beatty asked for approval on Resolution 2018-093.

Resolution 2018-093 – Mammoth Casa Diablo IV Energy Project to provide in total approximately 20 MWs of long-term geothermal supply of renewable electrical energy through the Southern California Public Power Authority ("SCPPA" or "the Authority") to two of its participating Members, the City of Banning ("Banning") for 5 MWs and the City of Colton ("Colton") for 15 MWs, for the purpose of satisfying each utility's renewable electrical energy resource goals.

Resolution 2018-093 was approved as follows:

Moved By: **Jim Steffens**

Seconded By: **Jessica Sutorus**

Unanimously Approved

Mr. Beatty provided the Board with a Community Choice Aggregate Update. Mr. Beatty announced the CPUC's decision on the Power Charge Indifference Adjustment (PCIA) and the effects that it will potentially have on the formation of CCA development. Mr. Beatty noted the potential areas in which SCPPA can work with CCA's. Mr. Beatty addressed a potential SCPPA Associate Member Program.

Mr. Beatty provided the Board with an update on the Low Carbon Fuel Standard noting the CARB approved updates to the LCFS on September 27. Mr. Beatty highlighted the updates as being: updated carbon intensity numbers for the residential base to reflect the growing

renewable portfolios of the utilities, incremental credits for EV charging with 100% renewable energy, the clean fuel reward program, and DC fast charger capacity credits.

7. Director of Asset Management and Special Projects' Report

Ms. Ellis provided a project performance update. Ms. Ellis reviewed the SCPPA portfolio electricity mix and identified changes made due to the San Juan Unit 3 closure. Ms. Ellis reviewed the renewable portfolio performance and highlighted the increase in wind, solar, and geothermal. Ms. Ellis highlighted the new addition to the SCPPA portfolio, Loyalton Biomass. Ms. Ellis noted her discussion of fuel source tracking with those who are managing the operations. Ms. Ellis announced the managing operators' Community engagement event to occur on October 24 (National Bioenergy Day). Ms. Ellis reviewed the Technical Review Committee's report on the Hoover implementation agreement. Ms. Ellis noted the Hoover visitor center undergoing remodel from October 2018 to February 2019 which is causing a sharp drop in revenue. Ms. Ellis announced three potential acquisitions: Barnett Natural Gas Reserves, Copper Mountain Solar 3, and Milford Wind Farms. Ms. Ellis stated that the Barnett project was undergoing transitional issues as Devon energy sold most of their interests to Fleur de Lis. Ms. Ellis listed Copper Mountain Solar 3 as having been acquired by Consolidated Edison Development. Ms. Ellis noted that the Milford Wind projects purchase option windows have not yet been identified.

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.

9. 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 at **12:10 PM** by the Board at the conclusion of the closed session discussion.

Respectfully Submitted,

David H. Wright
Secretary



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

NOTICE OF SPECIAL MEETING

BOARD OF DIRECTORS

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

Thursday, October 18, 2018
10:00 AM
SCPPA Glendora Office
1160 Nicole Court
Glendora, California 91740

Said special meeting will be held concurrently with the regular meeting of the Board scheduled at the above-indicated time and place. The following matter will be considered by the Board of Directors:

- 1. Moss Adams presentation of Annual Audited Financial Statements.**

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.

Dated: October 17, 2018

Michael S. Webster, Executive Director
Southern California Public Power Authority

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

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1. Chief Financial & Administrative Officer's Report

A Special Meeting of the Board of Directors was held concurrently with the regularly scheduled meeting then in progress.

Mr. Bell invited Spenser Overton and Keith Simovic of Moss Adams to present on the fiscal year 2018 audit results.

The Moss Adams' presenters reported to the Board on the Nature of services they provided, the Auditor's opinion and reports, the matters required to be communicated with those charged with governance, and the upcoming audit standard.

The Moss Adams' presenters noted the services they provided as being the SCPPA June 30, 2018 financial statement audit under Generally Accepted Auditing Standards (GAAS), California Minimum Standards Compliance audit for special districts, and Audit of compliance with applicable revenue bond indentures.

The Moss Adams' presenters highlighted the auditor's opinion & reports noting that the financial statements were fairly presented in all material respects, no instances of non-compliance were identified in regards to California municipal standards and revenue bond compliance reporting.

Moss Adams' presenters highlighted the Upcoming Audit Standards as being GASB 83, GASB 84, GASB 87, GASB 88, GASB 89.

Respectfully Submitted,

David H. Wright
Secretary