



## **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, December 20, 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 November 15, 2018

**B. Monthly Investment Report**

For October 2018

**C. Resolution 2018-106**

Approve and authorize execution and delivery of a First Amendment to the Legal Services Agreement with Arnold & Porter Kaye Scholer LLP, extending the term to June 30, 2023 and increasing the monthly fee from \$12,500 to \$15,000.

**D. Resolution 2018-107 (Project Vote)**

Amendment 1 to the Agreement for a Generator Step Up Transformer with Mitsubishi Electric Power Products, Inc. for Apex Generating Station.

**E. Resolution 2018-108**

Requesting approval of a Second Amendment to the Master Professional Services Agreement with Trimark Associates Inc. to extend the term of the agreement through November 20, 2020.

**3. EXECUTIVE DIRECTOR'S REPORT**

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

- Proclamations
- Strategic Objectives

**4. LEGAL**

SCPPA General Counsel will present the following item:

**A. Resolution 2018-105**

Amendments to the SCPPA Procurement Code.

**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:

- Mammoth Casa Diablo IV Energy Project
- Transportation Electrification
- LADWP Participation Agreement
- California Electric Transportation Coalition (CalETC) Subscription
- Working Group Summaries

**A. Resolution 2018-104**

Approval of a Participation Agreement with LADWP for Advanced Operating Cost and Revenue Recovery Analytical Services.

**B. Resolution 2018-109**

**6. 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.

- CARB Cap-and-Trade and Mandatory Reporting Regulation Update
- CARB Fleet Vehicles Rules Update
- Upcoming State Legislative Session Update

**A. SCPPA Monthly Federal Legislative Report**

**7. DIRECTOR OF ASSET MANAGEMENT AND SPECIAL PROJECTS' REPORTS**

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

- Loyaltan Project Energy Supply Issues
- Palo Verde Outage Update
- Northern Nevada Geothermal Portfolio Project – McGuinness Hills 3 Facility
- Heber-1 Project New Generating Unit Testing Delay
- Magnolia Power Project PUC Filing

**A. Project Reports**

- MPP Operations Report 11-2018
- Palo Verde Status Report 12-2018

**8. CHIEF FINANCIAL AND ADMINISTRATIVE OFFICER'S REPORTS**

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

- Natural Gas and Energy Prepayment Program Request for Proposal
  - Presentation and Joint Meeting with Finance Committee to occur at 1:00 PM
- Magnolia Power Project Barclay's Swap Suspension

**A. Finance Committee Minutes**

For November 5, 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

- **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 December 20, 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), Thomas Miller (B), Jorge Somoano (B), David Kolk (B), Stephen Zurn (B), David Wright (B), Gurcharan Bawa (B), Todd Corbin (B), Kelly Nguyen (B)

Vince Brar (A), Shari Thomas (A), Rebecca Gallegos (A), Mario Ignacio (A), Peter Huynh (A), Louis Ting (A), Reiko Kerr (A), Daniel Garcia (A)

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

Attorneys, Member Employees and Consultants present were:      Adrienne Rogers (Colton), Kapil Kulkarni, Marlon Santa Cruz (LADWP), Ramzi Raufdeen (Cerritos), Richard Torres, Varoojan Avedian (Pasadena), Yolanda Pantig (SCPPA-Downtown), Michael Bell (Michael Bell Management Consulting), Stephen Cole (Norton Rose Fulbright), Victor Hsu (Norton Rose Fulbright), Benjamin Herhold (Next Era Energy), 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.

**Consent Calendar**

Board Meeting Minutes from November 15, 2018

Monthly Investment Report for October 2018

**Resolution 2018-106** – Approve and authorize execution and delivery of a First Amendment to the Legal Services Agreement with Arnold & Porter Kaye Scholer LLP, extending the term to June 30, 2023 and increasing the monthly fee from \$12,500 to \$15,000.

**Resolution 2018-107 (Project Vote)** – **Apex Generating Station** – Amendment 1 to the Agreement for a Generator Step Up Transformer with Mitsubishi Electric Power Products, Inc. for Apex Generating Station.

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

**Resolution 2018-108** – Requesting approval of a Second Amendment to the Master Professional Services Agreement with Trimark Associates Inc. to extend the term of the agreement through November 20, 2020.

The consent calendar was approved as follows.

Moved By: **David Wright**  
Seconded By: **Thomas Miller**

**Unanimously Approved**

**2. Executive Director's Report**

Mr. Webster and Mr. Lee announced the retirement of Cerritos Board Alternate, Vince Brar, and the retirement of Norton Rose Fulbright Bond Counsel, Stephen Cole. Mr. Webster and Mr. Lee thanked Mr. Brar and Mr. Cole for their dedicated years of service to SCPPA. Mr. Webster and Mr. Lee invited Mr. Brar and Mr. Cole to address the Board.

Mr. Webster announced the completion and posting of the FY 2017-18 SCPPA Annual Report to the SCPPA Website. Mr. Webster thanked the Administrative staff for designing and putting the report together.

Mr. Webster noted a meeting he attended with Veloz. Mr. Webster stated that Veloz is an agency that was created to advance electric vehicle use. Mr. Webster emphasized the support of CARB, electric vehicle manufacturers, and other utilities for Veloz. Mr. Webster highlighted the advertising campaign being handled through social media. Mr. Webster noted that this marketing strategy is catered to how the newer generations communicate and stated that the link for the campaign was shared in the most recent What's SCPPA-ning? Newsletter. Mr. Webster did not make a recommendation at this time, but did want the Board to consider this as an item SCPPA may join in the future on the Members' behalf.

### **STAFF REPORTS**

#### **3. Legal**

Mr. Morillo presented the proposed changes to the SCPPA Procurement Code. Mr. Morillo noted that the SCPPA Procurement Code was adopted in 1992 and had not been revisited until now.

Mr. Wright emphasized that the Procurement Code is intended to facilitate cost savings for Members through joint procurement.

#### ***Resolution 2018-105***

Amendments to the SCPPA Procurement Code.

The Resolution was approved subject to Mr. Wright's comments on joint procurement, as follows.

Moved By: **David Wright**

Seconded By: **Manny Robledo**

**Unanimously Approved**

#### **4. Director of Resource and Program Development's Report**

Mr. Beatty named the present Working Group Chairs and Co-Chairs of the SCPPA Working Groups and provided a summary of the 2018 accomplishments and 2019 planned focus areas for each of the 15 individual Working Group.

Mr. Beatty discussed the changes being made to the Mammoth Casa Diablo IV Energy Project that was approved by the Board in October of 2018. Mr. Beatty noted that two versions of the Mammoth Casa Diablo IV Energy Project PPA will be brought to the Board in January for review.

Mr. Beatty provided the Board with SCPPA's history of Board Membership of the non-profit California Electric Transportation Coalition (CalETC). Mr. Beatty stated the dues of \$40,000/year plus a reserve of \$15,000 for supplemental funding projects. Mr. Beatty noted the importance of this subscription in monitoring, building and shaping policy, and providing transportation electrification programs for Members. Mr. Beatty stated that all SCPPA Members, excluding LADWP and Cerritos, are currently participating. Mr. Beatty asked for approval on Resolution 2018-109.

***Resolution 2018-109***

Authorization to continue SCPPA's Membership of the California Electric Transportation Coalition (CalETC) Board of Directors.

The Resolution was approved as follows.

Moved By: **Kelly Nguyen**  
Seconded By: **Jorge Somoano**

**Unanimously Approved**

Mr. Beatty noted the nearly 1000 level 2 Electric Vehicle Chargers donated by Mercedes-Benz through SCAQMD. Mr. Beatty highlighted that SCPPA is to receive nearly 50% of these through the Transfer Agreement. Mr. Beatty discussed the grant for a SCPPA Headquarters DC Fast Charger. Mr. Beatty stated that the CEC grant would cover 75% of the charger installation, leaving SCPPA with a \$15,000 cost. Mr. Beatty noted that with the DC Fast Charger, SCPPA will sign up for the LCFS program to capture the capacity credit and LCFS credits from the level 2 chargers.

Mr. Beatty discussed the LADWP Participation Agreement for Advanced Operating Cost and Revenue Recovery Analytical Services. Mr. Beatty noted that this agreement will allow for LADWP to continue service and approve large dollar amounts capped at a total of \$20MM. Mr. Beatty asked for approval on Resolution 2018-104.

***Resolution 2018-104***

Approval of a Participation Agreement with LADWP for Advanced Operating Cost and Revenue Recovery Analytical Services.

The Resolution was approved as follows.

Moved By: **David Wright**  
Seconded By: **Dukku Lee**

**Unanimously Approved**



## **5. Director of Government Affairs' Report**

Ms. DeRivi updated the Board on the CARB Cap-and-Trade and Mandatory Reporting Regulations that were adopted on December 13<sup>th</sup> at the CARB Board Hearing. Ms. DeRivi noted the implications for SCPPA and the key issues for the 2019+ rulemaking as being: CAISO EIM GHG accounting methodology, quantifying emissions factors, unused allowances/ over-allocation, and offsets.

Ms. DeRivi and Mr. Blair updated the Board on the CARB Fleet Vehicles Rules and regulations. Ms. DeRivi and Mr. Blair noted that CARB has opted to administer separate regulations for light and heavy duty vehicles that would be developed simultaneously. Ms. DeRivi and Mr. Blair discussed the next steps for SCPPA members with fleets as being an increased participation in working group meetings and to alertness of mandate impacts on fleet operations.

Ms. DeRivi and Ms. Mmagu discussed the upcoming State Legislative Session. Ms. DeRivi and Ms. Mmagu highlighted that the guiding principles have been circulated to the Legislative working Group for review and updates and will be presented to the Board in January. Ms. DeRivi and Ms. Mmagu noted that 230 bills have been introduced to date, 11 of which SCPPA has flagged for consideration. Ms. DeRivi and Ms. Mmagu stated there will be a dedicated discussion for State and Federal Legislative matters at the regularly schedule January SCPPA Board of Directors Meeting.

## **6. Director of Asset Management and Special Projects' Report**

Ms. Ellis discussed the Loyalton Project Energy Supply Issues. Ms. Ellis attributed the fuel supply disruption as being attributed to wildfires. Ms. Ellis noted that alternate fuel supply agreements are being pursued.

Ms. Ellis updated the Board on the status of the Palo Verde Outage. Ms. Ellis highlighted Palo Verde's return online after their fall outage. Ms. Ellis stated the cost of the outage as being \$1.2M more than the targeted goal as a result of the outage being 14 days longer than anticipated.

Ms. Ellis highlighted the 46MWs of the 3<sup>rd</sup> project of the Northern Nevada Geothermal Portfolio Project, McGuinness Hills 3 Facility. Ms. Ellis noted that the project has reached the end of the first development period.

Ms. Ellis noted the Heber-1 Project New Generating Unit Testing Delay. Ms. Ellis attributed the delay to pending repairs for a broken pump. Ms. Ellis estimated the repairs to occur in Mid-January.

Ms. Ellis addressed the Magnolia Power Project bill discrepancy reconciliation progress. Ms. Ellis discussed the matter as having been addressed at the September 20, 2018 Magnolia Coordinating Committee Meeting. Ms. Ellis noted after receiving direction from the Committee, a complaint was filed with the CPUC on November 8, 2018 and the complaint was forwarded to SoCal Gas for response on December 14, 2018.

Ms. Ellis informed the Board of the new SCPPA communications newsletter, "What's SCPPA-ning?" Ms. Ellis noted the newsletter's objective in informing Members of all levels on the actions of SCPPA. Ms. Ellis expressed the importance of the newsletter in increasing communications with and among SCPPA Members. Ms. Ellis highlighted various elements of the newsletter such as workforce development, working groups, and product and service offerings. Ms. Ellis asked the Board for feedback on the Newsletter to make improvements moving forward.

**7. Chief Financial and Administrative Officer's Report**

Mr. Bell announced the 1:00 PM joint Board of Directors and Finance Committee Meeting to occur at 1:00 PM to discuss the Natural Gas and Energy Prepayment Program Request for Proposal. Mr. Bell encouraged all interested Board Members to attend and discuss the next steps in the process.

Mr. Bell updated the Board on the completed status of the Magnolia Power Project Barclay's Swap Suspension. Mr. Bell noted the November 16, 2018 suspension providing a savings of \$1,189,000.

Mr. Bell addressed the November 5, 2018 Finance Committee Minutes and asked the Board for a motion to receipt and file.

***Finance Committee Minutes***

For November 5, 2018.

The Minutes were approved as follows.

Moved By: **Manny Robledo**

Seconded By: **Jorge Somoano**

**Unanimously Approved**

**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.

Mr. Robledo announced Azusa Light & Water's new Assistant Director of Utilities – Resource Management, Richard Torres.

**9. Closed Session**

A closed session was not held.

**10. Presentation on Gas and Energy Pre-Pay Project (Joint Meeting with Finance Committee)**

A joint meeting of the Board and the Finance Committee was scheduled to convene at **12:05 PM**, but as there was no quorum of either the Board or the Committee present at that time the Board meeting adjourned and there followed an informal discussion among the Board and Committee members present.

Respectfully Submitted,

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David H. Wright  
Secretary