



## **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, January 17, 2019**

**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. ELECTION-APPOINTMENT OF OFFICERS**

Election/Appointment of SCPPA Officers by the Board.

**3. 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 December 20, 2018

**B. Monthly Investment Report**

For November 2018

**C. Resolution 2019-001**

Approval of an Amendment to the existing Goods and Services Agreement with CLEAResult Consulting, Inc.

**D. Resolution 2019-002**

Approval of an Amendment to the existing Master Professional Services Agreement with Electric and Gas Industries Association.

**E. Resolution 2019-003**

Approval of an Amendment to the existing Goods and Services Agreement with Lime Energy Services Company.

**F. Resolution 2019-005**

Approval of a Participation Agreement with LADWP for Efficiency-Related Services and Products.

**4. EXECUTIVE DIRECTOR'S REPORT**

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

- Strategic Objectives
- Workforce Development Update

**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:

- ASWB Engineering
- Reichman-Karten-Sword
- Rahun Institute

**A. Resolution 2019-008**

Approval of a Master Professional Services Agreement with ASWB Engineering.

**B. Resolution 2019-009**

Approval of a Master Professional Services Agreement with Reichman-Karten-Sword Inc.

**C. Resolution 2019-010**

Approval of a Master Professional Services Agreement with The Rahun Institute.

## **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:

- Quarterly Budget Comparison Reports
- Quarterly Renewables Operations Report
- Heber South/Gould 2 Participation Percentages
- Pinedale Issues
- Meteologica Services

### **A. Project Reports**

- MPP Operations Report 12-2018
- Palo Verde Status Report 01-2019

### **B. Resolution 2019-007**

Professional Services Agreement with Meteologica for forecasting services.

## **7. 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

### **A. Finance Committee Minutes**

For December 3, 2018

### **B. Resolution 2019-004**

Resolution Authorizing Negotiations and Preparation of Financing Documents for the Pre-Pay Gas and Energy Project.

## **8. 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.

- State Legislative Briefing – Tanya DeRivi, Amy Mmagu, Anthony Samson
- Federal Legislative Briefing – Tanya DeRivi, Amy Mmagu, Lori Pickford
- Regulatory Updates – State Renewable Portfolio Standard & Scoping Plan Updates

### **A. SPPA Monthly Federal Legislative Report**

## 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.
- **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 January 17, 2019 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), Stephen Zurn (B), David Wright (B), Gurcharan Bawa (B), Todd Corbin (B), Kelly Nguyen (B)

Lincoln Bleveans (A), Rebecca Gallegos (A), Tony Allegranza (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 Krager, Joanna Lopez, Tanya DeRivi, Amy Mmagu, Nicholas Blair

Attorneys, Member Employees and Consultants present were:      Sabrina Barber (Imperial Irrigation District), Leo Zalyan (Glendale), Ashanti DeLaMesa (Los Angeles), Robert Ennis (Riverside), Michael Bell (Michael Bell Management Consulting), Victor Hsu (Norton Rose Fulbright), Anthony Samson (Arnold & Porter Kaye Scholer), Lori Pickford (The Ferguson Group), Benjamin Herhold (Next Era Energy)

## **1. Election-Appointment of Officers**

An Election/Appointment of SCPPA Officers was held by the Board. By motion of the Board, Michael S. Webster was appointed as the Board Treasurer/Auditor & Assistant Secretary, David H. Wright was appointed as the Board Secretary, and Mario C. Ignacio were appointed as the Board Assistant Secretary.

The 2018 SCPPA Board President, Dukku Lee, nominated Jorge Somoano for the 2019 SCPPA Board President position.

Moved By:      **Thomas Miller**  
Seconded By:      **Todd Corbin**

The 2018 SCPPA Board 1<sup>st</sup> Vice President, Jorge Somoano, nominated Kelly Nguyen for the 2019 SCPPA Board 1<sup>st</sup> Vice President position.

Moved By: **Jorge Somoano**  
Seconded By: **All**

The 2018 SCPPA Board 2<sup>nd</sup> Vice President, Kelly Nguyen, nominated Gurcharan Bawa for the 2019 2<sup>nd</sup> Vice president.

Moved By: **Kelly Nguyen**  
Seconded By: **Manny Robledo**

By motion of the Board, Jorge Somoano was elected President; Kelly Nguyen was elected 1<sup>st</sup> Vice President; Gurcharan Bawa was elected 2<sup>nd</sup> Vice President.

## **2. 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 December 20, 2018

Monthly Investment Report for November 2018

**Resolution 2019-001** – Approval of an Amendment to the existing Goods and Services Agreement with CLEAResult Consulting, Inc.

**Resolution 2019-002** – Approval of an Amendment to the existing Master Professional Services Agreement with Electric and Gas Industries Association.

**Resolution 2019-003** – Approval of an Amendment to the existing Goods and Services Agreement with Lime Energy Services Company.

**Resolution 2019-005** – Approval of a Participation Agreement with LADWP for Efficiency-Related Services and Products.

The consent calendar was approved as follows.

Moved By: **David Wright**  
Seconded By: **Manny Robledo**

**Unanimously Approved**

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

Mr. Webster discussed the Legislative Guiding Principles item on page 1 of the Strategic Objectives and noted the importance of the Legislative Working Group reviewing them on a yearly basis. Mr.

Webster noted the upcoming CMUA and APPA legislative events and the progress of the Legislative educational one-page documents for Members to provide to Sacramento Staffers. Mr. Webster noted the improvement in the Legislative Working Group participation and collaboration in the last year.

Mr. Webster provided the Board with an update on the progress of Workforce Development. Mr. Webster highlighted that the SCPPA Training Center has reached a 36% utilization rate with additional progress to come before the end of the calendar year. Mr. Webster attributed to the increase in utilization to the 27 courses booked in the first quarter, and additional courses in progress in the current year for a total of 49 training days, in comparison to the 26 total trainings held in the previous year.

## **STAFF REPORTS**

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

Mr. Beatty discussed the progress of renewable energy development of 3 wind projects totaling 900 MW, 4 solar projects totaling 404 MW, 2 geothermal projects totaling 171 MW, and 1 Biomass project totaling 11 MW.

Mr. Beatty noted the progress of program development in the areas of energy efficiency, audits, demand response, demand side management as approved through the consent items CLEAresult, Lime Energy, Pandora, and Electric and Gas Industries Association.

Mr. Beatty discussed the ASWB Engineering upcoming contract expiration. Mr. Beatty noted that ASWB has supplied SCPPA with energy efficiency services for over 15 years. Mr. Beatty addressed ASWB's contract awarding in response to the 2018 RFQ for efficiency related services competitive bidding process. Mr. Beatty recommended approval on Resolution 2019-008.

#### ***Resolution 2019-008***

Approval of a Master Professional Services Agreement with ASWB Engineering.

The Resolution was approved as follows.

Moved By: **Dukku Lee**  
Seconded By: **Kelly Nguyen**

**Unanimously Approved**

Mr. Beatty discussed the Reichman-Karten-Sword, Inc. (RKS) upcoming contract expiration. Mr. Beatty noted that RKS has provided SCPPA with market research services for over 10 years. Mr. Beatty addressed RKS's contract awarding in response to the 2018 RFP for market research services competitive bidding process. Mr. Beatty recommended approval on Resolution 2019-009

***Resolution 2019-009***

Approval of a Master Professional Services Agreement with Reichman-Karten-Sword Inc.

The Resolution was approved as follows.

Moved By: **David Wright**

Seconded By: **Manny Robledo**

**Unanimously Approved**

Mr. Beatty discussed the Rahus Institute recent contract expiration. Mr. Beatty noted that Rahus has supplied services to SCPPA Members for over 10 years. Mr. Beatty recommended approval on Resolution 2019-010.

***Resolution 2019-010***

Approval of a Master Professional Services Agreement with The Rahus Institute.

The Resolution was approved as follows.

Moved By: **Steve Zurn**

Seconded By: **Gurcharan Bawa**

**Unanimously Approved**

**5. Director of Asset Management and Special Projects' Report**

Ms. Ellis provided the Board with a Quarterly Budget Comparison Report for the first quarter of the fiscal year covering the months of July through September 2018. Ms. Ellis noted the budget as being on target for the Traditional category. Ms. Ellis highlighted the Natural Gas category as being over-budget for the quarter as a result of the settlement on the Natural Gas Prepay project and the increase in current prices for natural gas not originally budgeted for. Ms. Ellis noted the Transmission projects as being underbudget due to the large settlement paid for the STS project transformer failure in 2011. Ms. Ellis expressed the Hydro category as being overbudget due to strong summer performance, Biomass being underbudget due to lower than expected production, Wind being overbudget due to excess energy payments, Geothermal being underbudget due to expected low performance in summer months, and Solar performing as expected for summer conditions.

Ms. Ellis provided the Board with the Quarterly Renewables Operations Reports for the second quarter of the fiscal year covering the months of October through December 2018.

Ms. Ellis discussed the two issues with the Heber South/Gould 2 Ormat project: the over-delivery of energy which exceeded the contract maximum and Banning buying 100% of the energy and capacity which resulted in them using more than their allocated share. Ms. Ellis noted the issues as a result of inconsistencies between the contracts. Ms. Ellis' proposed the solution of resetting the contracts to the correct participation percentages and potentially setting up additional RA in the future for Banning.

Ms. Ellis highlighted the recent issue with Pinedale in which a force majeure event at Anadarko in mid-December caused reduced capacity operations and left SCPPA without someone to process the gas. Ms. Ellis noted that arrangements were made to process with Andeavor through Blacks Fork which will continue until Anadarko is back.

Ms. Ellis discussed the issuance of the 2018 RFP for forecasting services and awarding to Meteologica. Ms. Ellis recommended approval on Resolution 2019-007.

***Resolution 2019-007***

Professional Services Agreement with Meteologica for Forecasting Services.

The Resolution was approved as follows.

Moved By: **David Wright**

Seconded By: **Dukku Lee**

**Unanimously Approved**

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

Mr. Bell discussed the Natural Gas and Energy Prepayment Program. Mr. Bell noted the Finance Committee's recommendation to forward the item to the Board to authorize the negotiation and preparation of financing documents. Mr. Bell asked for approval on Resolution 2019-004.

***Finance Committee Minutes***

The Finance Committee Minutes for December 3, 2018 were received and filed.

***Resolution 2019-007***

Resolution authorizing negotiations and Preparation of financing documents for the Pre-Pay Gas and Energy Project.

The Resolution was approved as follows.

Moved By: **Dukku Lee**

Seconded By: **Kelly Nguyen**

**Unanimously Approved**

**7. Director of Government Affairs' Report**

Ms. DeRivi introduced her fellow presenters for the Legislative and Regulatory Discussion: Ms. Amy Mmagu, Mr. Nicholas Blair, Mr. Anthony Samson, and Ms. Lori Pickford.

Ms. DeRivi and Ms. Mmagu noted the finalization of the Legislative guiding principles. Ms. DeRivi and Ms. Magu noted the redistribution of the principles for input and updates.

Ms. Mmagu addressed the CMUA Capitol Day event to occur in February and noted key topics such as: natural gas, wildfires, regionalization, and zero-carbon. Mr. Samson and Ms. Mmagu provided a state legislative briefing. Mr. Samson and Ms. Mmagu highlighted the new governor, state budget, legislative priorities, committee assignments, and 395 legislative bills introduced to date.

Mr. Blair. Provided the Board with regulatory updates on the State Renewable Portfolio Standard and Scoping Plan.

Ms. DeRivi, Ms. Mmagu, and Ms. Pickford provided the Board with a Federal Legislative Briefing. Ms. Pickford discussed the status of the government shutdown, congressional delegation and potential legislative action. Ms. Pickford reminded the Board the register for the APPA Legislative Rally in February.

**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 **12:06 PM** by the Board at the conclusion of the closed session discussion.

Respectfully Submitted,

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David H. Wright  
Secretary