

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

A regular meeting of the Board of Directors was held on January 21, 2016 at the offices of the Authority, 1160 Nicole Court, Glendora, California.

This meeting was called to order at 10:00 A.M. by Mr. Mason.

**The following board members (B) and alternates (A) were present:** Fred Mason (B), Girish Balachandran (B), Dukku Lee (B), George Morrow (B), Stephen Zurn (B), Carlos Fandino (B), Jorge Somoano (A), Rebecca Gallego (A), Mike Webster (A), David Wright (A), Eric Klinkner (A), Shari Thomas (A), Reiko Kerr (A), Vicken Kasarjian (A)

**Staff members were:** Bill Carnahan, Richard Morillo, Steve Homer, Ted Beatty, Tanya DeRivi, Salpi Ortiz, Daniel Hashimi, Katie Ellis, Bryan Cope, Kelly Nguyen, Arpi Lepedzhyan, Erin Lewis, Kevin Crawford, Therese Savery

**Attorneys and consultants present were:** Stephen Cole (Consultant), Eugene Cross (Cross Concepts), Gina Rosen (Solar City), Jody Cross (CA ISO), Joanne Serano (CA ISO)

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

Mr. Mason made the announcement that Resolution 2016-004 was pulled from the agenda and is expected to be brought back at a later date.

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**2. Consent Calendar**

**(a) SCPPA Board Minutes for 12-15-2015**

**(b) Monthly Investment Report for 11-15**

**(c) SCPPA Financials ending 09-30-15**

## (d) Election and Appointment of Officers for 2016

**Moved by:** Mike Webster  
**Seconded by:** Girish Balachandran  
**Unanimously Approved**

## STAFF REPORTS

### 3. Executive Director's Report

Mr. Carnahan reported on the timeline for 1172 Nicole Court in regards to the closing and construction.

Associate Memberships -working on researching associate members as well as the partnership with NCPA and CMUA. George Morrow suggested an exchange among the utility directors within the meetings as an introduction.

Mr. Carnahan presented the breakdown of new assignments of duties within the office as well as two positions that are currently posted, awaiting fulfillment.

Ms. Ortiz provided an update on the CMUA Capitol Day schedule for February 1, 2016.

### 4. Director of Resource and Program Development

Mr. Beatty summarized the proposals from the 2015 Renewable RFP.

Mr. Beatty reviewed the economic project evaluation that SCPPA will perform for project alternatives to provide a recommendation to project participants.

Mr. Beatty discussed the current cost analysis of energy storage within the market and the projected costs for the future.

Mr. Beatty provided information on the increase net energy metering rates from the Nevada PUC in regards to solar customers and solar installers.

Mr. Mason discussed the difference between Nevada and California's legal requirements and how California cannot discriminate against solar customers.

Mr. Beatty compared 2015 training metrics versus the 2014 data and the expected increase in training for 2016. Mr. Morrow and Mr. Wright both provided potential topics for training in the future.

Under the discussion of current conditions of Aliso Canyon, Mr. Lee (Anaheim) asked about the current legislation regarding the wells and storage facilities. Mr. Webster (LADWP) suggested that SCPPA should act as the voice for the members in Sacramento in discussing the facts of the issue. Mr. Wright (LADWP) discussed how the messaging needs to emphasize how important the gas is in order to meet peak loads all year round.

#### **Resolution 2016-001 (Project Evaluation)**

SCPPA Procedures on Economic Project Evaluation

**Moved by:** George Morrow

**Seconded by:** Girish Balachandran

**Unanimously Approved**

#### **Resolution 2016-004 (Ormesa Geothermal Project)**

Power Purchase Agreement

**Tabled**

### **5. Project Administration Director's Report**

Mr. Homer provided the ten year forecasts on all SCPPA projects except for the gas projects. He also compared budgeted amounts with actual billings for the numbers provided through 09/30/2015.

Mr. Homer reviewed the progression of the Hoover closing audit as well as the post 2017 contract negotiations. The board discussed the proposal of additional MWs from outside Hoover participants who are looking to sell back their participation. Let the working group review the numbers and

provide their recommendation to the board.

Mr. Homer discussed the San Juan exit agreements and restructuring with expected effective dates of January 31, 2016.

Mr. Homer reviewed the SCPA Project activities of 2015, including: new projects, Palo Verde generation, Hoover capacity, Hoover exit audits, San Juan exit agreements, Natural Gas Reports, Amereco/Chiquita proposed rate increase and SCPA project site visits.

## **6. Government Affairs Reports**

Ms. DeRivi presented the SB350 implementation with rulemaking that was unanimously adopted on January 13th and the California ISO's upcoming meetings to discuss research and regional governance development.

Ms. DeRivi delivered information regarding the proposed decision for California net energy metering versus the final decision on the Nevada PUC.

Ms. DeRivi discussed the ARB 2030 Target Scoping Plan Update. An expected release of the draft will be in spring of 2016.

Ms. DeRivi provided information on the ARB Rulemakings for the RPS Enforcement Penalties and the 2016 Cap-and-Trade amendments.

Ms. DeRivi discussed the State Legislation's potential second session bills, including: SB 350, Net Energy Metering, AB 1110 and Aliso Canyon gas leak. She also provided a brief overview of topics to be discussed at the CMUA Capitol Day.

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

Mr. Crawford discussed the purpose of the CMUA billing allocation and voluntary participation in the SCPA billing for member utilities.

Mr. Crawford reviewed the renovation improvement budget proposed for the 1172 Nicole Court. Mr. Wright (LADWP) requested what the progress

was in leasing out the tenant half of the building and that potential income from that space. Mr. Mason (Banning) agreed that the cost savings analysis on bringing in a tenant needs to be carefully considered before proceeding with the lease.

Mr. Crawford presented information regarding the S & P ratings downgrade for the 2007A and 2007B Gas Bonds and provided a financial market update in regards to S&P, Fitch and Moody's 2016 Outlook.

**Resolution 2016-002 (CMUA)**

Billing CMUA for Members

**Moved By:** Dukku Lee  
**Seconded By:** Carlos Fandino  
**Unanimously Approved**

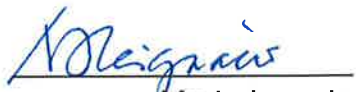
**Resolution 2016-003 (1172 Nicole Court)**

Budget for Renovations and Furnishings

**Moved By:** David Wright  
**Seconded By:** Jorge Somoano  
**Unanimously Approved**

There being no further business, the meeting was adjourned at 12:02 P.M.

Respectfully Submitted,

  
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Mario Ignacio  
Assistant Secretary

c: Board of Directors