

**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 August 18, 2016 at the offices of the Authority, 1160 Nicole Court, Glendora, California.

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

**The following board members (B) and alternates (A) were present:** Fred Mason (B), Girish Balachandran (B), Jorge Somoano (B), George Morrow (B), Steve Zurn (B), David Wright (B), Kelly Nguyen (B), Marcie Edwards (A), Belen Valenzuela (A), Vince Brar (A), Reiko Kerr (A), Dukku Lee (B), Eric Klinkner (A),

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

**Attorneys, member employees and consultants present were:** Stephen Cole, Jody Cross, Lincoln Blevins, Henry Martinez, Mike Bell

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

Mr. Mason afforded the public an opportunity to address the Board. There being no motion to do so, the board moved to the Consent Calendar.

**1. Consent Calendar**

**(a) Board Meeting Minutes** from July 21, 2016

**(b) Investment Reports** for June 2016

**(c) Resolution 2016-080 (PMCI)**  
Agreement

**(d) Resolution 2016-081 (Linden Wind Project)**  
O&M Agreement

- (e) Resolution 2016-082 (Linden Wind Project)**  
BOP Agreement
- (f) Resolution 2016-083 (SCPPA Policy)**  
Records Retention Policy
- (g) Resolution 2016-085 (Springbok 1, 2 and 3 Projects)**  
Settlement Agreement
- (h) Resolution 2016-084 (Project Stabilization Fund)**
- (i) Resolution 2016-086 (Project Stabilization Fund Withdraw)**  
Withdraw by IID

Consent Calendar was approved with the addition of Resolutions 2016-084 and 2016-086 as well as a correction to the July Board Minutes.

**Moved by:** David Wright  
**Seconded by:** George Morrow  
**Unanimously Approved**

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

Mr. Carnahan prefaced the Associate Membership resolution discussion, recapping the discussion from the previous board meeting and the work that has been done since.

Mr. Beatty presented the proposed associate membership program and Mr. Carnahan proposed a pilot program. Mr. Balachandran expressed his concern of risk management with bringing in associate members and any additional SCPPA staff to handle would be a long term commitment that may not be offset by long term revenue. Mr. Crawford provided a sample of the cost allocation for an associate membership.

Mr. Balachandran and Mr. Mason showed concern about the CCAs and their potential impacts on the legislative issues and whether they would hinder SCPPA's work by having differing agendas and priorities. Mr. Carnahan re-established that this is a pilot program where these types of issues could be addressed and the program could be terminated if needed.

## **Resolution 2016-072 (Associate Membership Program)**

**Moved by:** Girish Balachandran  
**Seconded by:** George Morrow  
**Unanimously Approved**

### **3. Resource and Program Development Report**

Mr. Beatty reported on the upcoming projects that are to be coming online and synchronizing to the grid before the end of the year. Mr. Morrow asked if there is a risk to wild fires in the Antelope Valley region. Mr. Beatty responded in that our projects are not in any immediate danger, as there is no abundance of vegetation near the project sites.

Mr. Beatty discussed solar saturation and the significant increase that becomes over-generation and the amount of curtailment that may be seen by utilities in the future

Mr. Beatty reported on SCPPA's program development, energy storage and batteries and current RFPs SCPPA has under review and are receiving responses for. Mr. Beatty also provided a map of current electric vehicle ownership within the United States and projected numbers for the coming year

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

Mr. Homer discussed the performance improvements in the San Juan Facility and the reclamation process.

Mr. Homer discussed the current negotiations that are currently underway for the MWD Small Hydro project

Mr. Homer provided a report on the Pinedale Project as well as the Hoover Audit.

### **5. Government Affairs Report**

Ms. DeRivi discussed the ARB rulemakings in regards to the 2016 Cap and Trade Amendments and the compliance plan for the EPA Clean Power Plan.

Ms. DeRivi provided updates on the CEC RPS Enforcement Procedures for POU's, RPS Online Reporting System and Integrated Resource Planning guidelines.

Ms. DeRivi provided an update on the upcoming Aliso Canyon Winter Assessment Workshop

Ms. DeRivi also provided legislative updates that covered SB 350, SB 1393, AB 1110, SB 886, SB 32 and the NEM Bill.

Ms. DeRivi recapped the NCPA and SCPPA Lobby day that resulted in governance legislation for CAISO Regionalization.

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

Mr. Crawford reviewed the annual report schedule

Mr. Crawford provided an update on the annual audit, which began the week of August 15<sup>th</sup>. The report will be issued no later than October 31, 2016.

Mr. Crawford provided a report of the financial market inclusive of the Bank of England and their rate cuts after Brexit, inflation and unemployment rates in July for the United States, home prices in the United States metro areas, California issuance bond ratings and how muni rates are affected from the Jobs Report and GO Credit Spreads.

## **7. New Business**

Mr. Mason provided an opportunity for new business to be brought before the board. There being no new business the board moved to closed session.

## **8. Closed Session**

The board entered into closed session at 11:55pm.

The board re-convened in open session at 1:29 pm and there being no further business, the meeting was adjourned at 1:29 pm.

Respectfully Submitted,

  
David H. Wright  
Secretary

c: Board of Directors