

**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 November 17, 2016 at the offices of the Authority, 1160 Nicole Court, Glendora, California.

This meeting was called to order at 10:01 A.M.

**The following board members (B) and alternates (A) were present:** Fred Mason (B), Stephen Zurn (B), George Morrow (B), David Wright (B), Gurcharan Bawa (B), Jorge Somaono (B), David Kolk (B), Dukku Lee (B), Vicken Kasarjian (A), Kelly Nguyen (B), George Morrow (B), Vince Brar (A), Daniel Garcia (A), Kevin Milligan (A)

**Staff members were:** Bill Carnahan, Richard Morillo, Steve Homer, Ted Beatty, Tanya DeRivi, Daniel Hashimi, Bryan Cope, Sarah Taheri, Arpi Lepedzhyan, Erin Lewis, Salpi Ortiz, Robert Duran, Therese Savery

**Attorneys, member employees and consultants present were:** Stephen Cole (Consultant), Therese Savery (SCPPA LA), Mike Bell (Consultant), Mike Berwanger (PFM)

**1. 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 request to do so, the Board proceeded to the Consent Calendar.

**2. Consent Calendar**

- (a) SCPPA Board Minutes for 10-20-16**
- (b) Monthly Investment Report for 09-16**
- (c) Quarterly Investment Report for 09-16**
- (d) Resolution 2016-100**  
Clarifying Reporting Relationships
- (e) Resolution 2016-101 *PULLED***  
SCPWA Meetings held at SCPPA Offices

Resolution 2016-101 was pulled from the consent calendar at the request of Los Angeles. The remainder of the consent calendar was approved as follows.

**Moved By:** Dukku Lee  
**Seconded By:** George Morrow

**Unanimously Approved**

## **STAFF REPORTS**

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

Mr. Carnahan reminded the board that next board meeting will be held offsite. Ms. Ortiz reviewed the events in December and reminded to RSVP.

Mr. Carnahan discussed how Morgan Meguire will be dissolving at the new year and a new RFP will need to be issued to gain new legislative counsel. Until the RFP is issued, a six month extension has been proposed to Lori Pickford to continue working on SCPPA's behalf.

Mr. Carnahan announced that the Project Development Manager position at SCPPA has been offered to and accepted by Randy Kraeger who will begin working in early 2017.

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

Mr. Bell provided a financial market update reviewing how the markets have changed since the 2016 general election.

Mr. Lee thanked SCPPA and Stephen Cole on all the work that went into the Canyon Power Project Revenue Bonds that were brought to motion.

**Resolution 2016-096**  
 Refunding of the Canyon Power Project Revenue Bonds

		<b>Approve</b>	<b>Deny</b>	<b>Present, Not Voting</b>
<b>Project Vote:</b>	Azusa			X
	Anaheim	X		
	Banning			X
	Burbank			X
	Cerritos			X
	Colton			X
	Glendale			X
	IID			X
	LADWP			X
	Pasadena			X
	Riverside			X
	Vernon			X

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

**Resolution 2016-097**  
 Refunding of Transmission Project Revenue Bonds

		<b>Approve</b>	<b>Deny</b>	<b>Present, Not Voting</b>
<b>Project Vote:</b>	Azusa			X
	Anaheim	X		
	Banning			X
	Burbank	X		
	Cerritos			X
	Colton			X
	Glendale	X		
	IID			X
	LADWP	X		
	Pasadena	X		
	Riverside	X		
	Vernon			X

**Moved By:** Kevin Milligan  
**Seconded By:** Dukku Lee  
**Unanimously Approved**

**Resolution 2016-098**

Remarketing Agreement related to MPP Revenue Bonds

	<b>Approve</b>	<b>Deny</b>	<b>Present, Not Voting</b>
<b>Project Vote:</b>			
Azusa			X
Anaheim	X		
Banning			X
Burbank	X		
Cerritos			X
Colton	X		
Glendale	X		
IID			X
LADWP			X
Pasadena	X		
Riverside			X
Vernon			X

**Moved By:** Jorge Somaono

**Seconded By:** Steve Zurn

**Unanimously Approved**

**5. Director of Resource and Program Development**

Mr. Beatty discussed the three projects that will be COD before the end of the year and new project development that is in process.

Mr. Beatty presented analyses from Lazard, First Solar and IHS Energy that projected solar capital costs, investment tax credits and interest rates.

Mr. Bawa (Pasadena) asked if the wind prices were seeing similar trends than what was presented. Mr. Beatty discussed what he has been seeing in the wind market and what they are looking for in new agreements. Ms. Nguyen (Vernon) discussed that wind is difficult and more expensive because of the cost of repowering turbines is extensive. Mr. Somaono (Burbank) asked if we were getting any prices for 2020 where the prices are raised. Mr. Beatty replied that most proposals he has seen are with prices that reflect operation dates before 2020 to reach the cut-off. Mr. Bawa (Pasadena) asked if it was cheaper to build in or out of state. Mr. Beatty replied that it seems cheaper to build out of state due to cost of labor and land. Mr. Morrow (Azusa) speculated that the price to deliver the energy may still drive the cost up to in state prices.

Mr. Beatty reviewed the energy storage RFI in 2016. With minimal responses, the committee plans to develop an RFP in 2017 to gain more information in the future.

Ms. Nguyen (Vernon) asked if they can request specific information per utility. Mr. Beatty said the agreement allows for utilities to request a more customized study at an additional cost. The motion was made for Resolution 2016-099 with a request for a revised resolution that includes a rate schedule from DNVGL for additional work outside the current terms.

Mr. Beatty reviewed the T&D E&O Conference held in November and that it is intended to be held again in 2017.

Mr. Beatty proposed a hybrid electric truck subscription from Workhorse. This would be a non-binding pre-order LOI to purchase a set number of trucks over two years at a volume discount. The board requested that SCPPA provide a report of the vehicles for further consideration.

**Resolution 2016-099**

Cost Sharing Agreement with NCPA for Energy Storage Study

**Moved By:** George Morrow  
**Seconded By:** David Kolk  
**Unanimously Approved**

**6. Project Administration Director's Report**

Mr. Homer discussed Palo Verde the most recent refueling outage and set the U.S. record for lowest collective radiation exposure during an outage.

Mr. Homer provided insights into the budget comparisons on the SCPPA wind projects. He also reviewed the wind capacity that SCPPA has been receiving.

Ms. Ellis presented Resolution 2016-102 that provides a reduced price per MWh effective July 1, 2017.

Mr. Kasarjian (IID) requested that the owners of San Juan to come together and discuss any economic opportunities in regards to the plant.

**Resolution 2016-102**  
MWD Small Hydro Amendment of Project Agreements

		<b>Approve</b>	<b>Deny</b>	<b>Present, Not Voting</b>
<b>Project Vote:</b>	Azusa	X		
	Anaheim	X		
	Banning			X
	Burbank			X
	Cerritos			X
	Colton	X		
	Glendale			X
	IID			X
	LADWP			X
	Pasadena			X
	Riverside			X
	Vernon			X

**Moved By:** George Morrow  
**Seconded By:** Dukku Lee  
**Unanimously Approved**

**7. Government Affairs Report**

Ms. DeRivi discussed the ARB Cap and Trade Amendments and reviewed the allowance allocation workshop and where SCPPA stands on what has been proposed.

Ms. Taheri reviewed the ARB 2030 scoping plan workshop and three options that were presented. A discussion draft is expected to be released at the end of the month by ARB with a full draft released in January.

Ms. DeRivi discussed the upcoming stakeholders discussion on the CAISO regionalization as well as the CAISO GHG Accounting Technical Workshop.

Ms. Taheri provided an update on CEC Data Reporting in regards to Title 20 Energy Forecasting.

Ms. Taheri reviewed the recent news in Aliso Canyon in that Sempra has sought to re-start injections. CPUC has approved winter demand response programs and mitigation measures.

Ms. DeRivi provided a post-election analysis and how the incoming administration may affect current bills and policies working to be moved. Most notably the EPA Clean Power Plan.

**8. Legal Matters**

There were no legal matters discussed.

**9. New Business**

No new business was brought to the board.

The board moved to closed session at 11:58 A.M.

Open session resumed at 12:17 P.M.

Mr. Mason proposed to adjourn the meeting to 9:00 AM on December 1<sup>st</sup> in the SCPPA offices. IID, Pasadena and Colton will participate by phone.

**Moved By:** David Wright  
**Seconded By:** Stephen Zurn  
**Unanimously Approved**

There being no further business the board adjourned at 12:20 P.M.

Respectfully Submitted,



David H. Wright

Secretary

c: Board of Directors