



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Board of Directors Meeting

Thursday, November 21, 2024



EXECUTIVE DIRECTOR REPORT

Working Group Update

Daniel E Garcia | *Executive Director*

CONSENT CALENDAR

A. Minutes of the Board of Directors Meeting

- Regular Meeting Minutes: October 17, 2024

B. Receive and File:

1. FY 23-24 Q4 Budget-to-Actual Variance Report – Final
2. FY 23-24 Over/Under Billing Summaries – Final
3. Finance Committee Meeting Minutes: October 7, 2024
4. Monthly Investment Report: September 2024
5. Quarterly Investment Report: September 2024
6. SCPPA A&G Budget Comparison Report: September 2024
7. SCPPA Fiscal Year 2023-24 Audited Financial Statements
8. Moss Adams Report on Communications with Those Charged with Governance and Communication of Internal Control Related Matters for the fiscal year ended June 30, 2024

CONSENT CALENDAR CONTINUED..

9. New SCPPA Underwriter Pool Memo and List
10. Palo Verde Nuclear Generating Station Status Report September 2024
11. Magnolia Power Project Operations Report: October 2024
12. Federal Legislative Report: October 2024

C. Resolution 2024-103

Approval of Funding Agreement between California Municipal Utilities Association and SCPPA for an Energy Efficiency Technical Reference Manual

D. Resolution 2024-104

Approval of Amendment No. 4 to Master Goods and Services Agreement with Alternative Energy Systems Consulting, Inc. for energy efficiency and engineering support services to extend the Agreement's term until March 20, 2025



SCPPA

FINANCE REPORT

Aileen Ma | *Chief Financial &
Administrative Officer*

SCPPA UNDERWRITER POOL

New SCPPA Underwriter Pool

Senior Managers

- Barclays
- BofA Securities
- Goldman Sachs
- J.P. Morgan
- PNC Capital Markets
- RBC Capital Markets
- Siebert Williams Shank
- TD Securities
- Truist Securities
- Wells Fargo

Co-Managers

- Cabrera Capital Markets
- Jefferies
- Loop Capital Markets
- Ramirez
- Raymond James
- Stern Brothers



SCPPA

ASSET MANAGEMENT

CHARLES GUSS | *Senior Asset Manager*

GUADALUPE ROBLES | *Senior Utility Analyst*



Ameresco Chiquita Canyon Landfill Gas Project FY 24-25 Budget Revision No. 1

Resolution 2024-105

Ameresco Chiquita Canyon Landfill Gas Project FY 24/25 Budget Revision No. 1

- ▶ Chiquita Canyon Landfill Gas Generation Project
 - ▶ Located at the Chiquita Canyon Landfill in Valencia, CA
 - ▶ 7.8 MW, 35,000 MWh in FY 22/23
 - ▶ Project Offline on January 31, 2024
 - ▶ Force Majeure Declared on February 22, 2024
- ▶ Original FY 24-25 Budget Total of \$984k
 - ▶ PPA Payments - January 2025 through June 2025 only
- ▶ Revised FY 24-25 Budget Total of \$48k
 - ▶ PPA Payments - None
- ▶ Resolution 2024-105
 - ▶ Project Vote: Burbank (16.6667%) and Pasadena (83.3333%)

RECOMMENDATION: Approval of Resolution 2024-105

Authorizes Approval of the Ameresco Chiquita Canyon
FY 24/25 Budget Revision No. 1

The logo for SCP PA features the letters 'S', 'C', 'P', and 'P' in a dark blue font, followed by 'A' in a lighter blue font. The letters are overlaid on a light blue map of Louisiana. A yellow and orange swoosh graphic is positioned behind the letters.

SCP PA

GOVERNMENT AFFAIRS

MARIO De BERNARDO | *Director, Government Affairs*

ELISABETH de JONG | *Manager, Government Affairs*

NATALIE SEITZMAN | *Energy Policy Advocate, Government Affairs*

Federal Update

2024 Federal Election Recap

What Does it Mean for SCPPA and Public Power?

Presidential Election Results



- President-Elect Trump secured 312 electoral votes to Vice President Harris' 226
- Currently, he leads the popular vote 50.1%-48.3% (98% counted)
- Thousands of votes yet to be counted, mostly in the West
- Trump would be the second GOP presidential candidate to win popular vote since 1988 – the last one in 2004
- Vote turnout overall down from 2020: Trump projected to draw approximately three million less votes; Harris 11 million

House Election Results*(as of 11/18)



- The GOP will maintain control of congress -- barely
- Current tally is 220-212, with three races yet to call (218 needed)
- GOP Rep. Duarte in 13th District (Central Valley) has slight lead, 50.6%-48.4%
- GOP Rep. Michelle Steele in 45th District (Orange County) is tied at 50% -- 35k left to count
- Final House tally expected to be a 1-3 seat margin for GOP– 219/221
- 119th Congress margin would be virtually same as 118th

Senate Election Results



- GOP gains control of US Senate, 53-47, with expected net gain of four seats
- GOP Flipped seats: Montana, Ohio, West Virginia, Pennsylvania (recount underway)
- Democrats retained seats in Arizona, Michigan, Wisconsin, and Nevada despite Trump victories in those states
- For first time in almost 70 Senate races, the presidential winner and senate race winner in a state were of different parties
- Election means new GOP Senate leader for first time in 18 years

House and Senate Leadership Elections



- Last week, Senator John Thune (R-S.D.) was elected majority leader
- New GOP Senate Leadership team includes Sens. John Barrasso and Sen. James Lankford (R-Okla.), both from large wind power generating states
- Combined with South Dakota's high wind generation, it's among the most renewables states oriented leadership teams in recent memory
- Democrat leadership team to continue under Sen. Chuck Schumer (D-N.Y.)
- House GOP leadership team remains the same, led by Speaker Mike Johnson (R-La.)

What Does It Mean For Us?



- Too early to know fully
- A major tax bill will be advanced: ARBs, municipal financing etc.
- Full “claw back” of IRA renewable credits unlikely (Budget “Reconciliation”)
- Energy Permit Reform Is likely: Transmission etc.
- FERC leadership changes
- The House margin will be extremely close
- The power to “control” Floor outcomes – When/will the center prevail?

What Does It Mean For Us?



- Senators Padilla and Schiff will be important allies
- Sen. Padilla and staff have important GOP relationships
- Moderate GOP senators – particularly Murkowski (R-Ark.) and Collins (R-Maine) – will be key players
- Support for public power in the House and Senate GOP Conference? Possible
- Opportunities for bipartisanship?: Yes
- An important unknown: Trump cabinet and sub-cabinet political appointees
- Much policy and regulations formulated/implemented below Secretary level

State Update

**CALIFORNIA ELECTION REPORT
2024**

SOUTHERN CALIFORNIA
PUBLIC POWER AUTHORITY

SAMSONADVISORS



Democrats Maintain Supermajority

ASSEMBLY

- 80 Assemblymembers
- Current make-up:
 - 62 Democrats
 - 17 Republicans
 - 1 vacancy (V. Fong)
- 2025 make-up:
 - 62-63 Democrats
 - 17-18 Republicans
- 24-25 new Assemblymembers

SENATE

- 40 Senators
- Current make-up:
 - 31 Democrats
 - 9 Republicans
- 2025 make-up:
 - 30 Democrats
 - 10 Republicans
- 11 new Senators
 - 1 additional forthcoming (J. Nguyen)



SCPPA Assemblymembers Terming Out or Moving On

- Asm. Friedman (Burbank)
- Asm. Santiago (Vernon/LADWP)
 - Asm. Holden (Pasadena)
 - Asm. Reyes (Colton)
 - Asm. Rivas (LADWP)



SCPPA Assemblymembers Terming Out or Moving On

- Asm. Cervantes (Riverside)
 - Asm. Rendon (LADWP)
- Asm. Carrillo (Glendale/LADWP)
- Asm. Jones-Sawyer (LADWP)
 - Asm. Garcia (IID)

SCPPA Senators Terming Out or Moving On

- Senator Portantino (Glendale/Burbank)
- Senator Roth (Riverside)
- Senator Bradford (LADWP)
- Senator Min (Anaheim)





Senator-Elect Sabrina Cervantes (Roth)

- Sitting Assemblymember
- Has served as an Assemblymember since 2016
- Similar political leanings as Roth

Senator-Elect Steven Choi (Min)

- Anaheim
- Sten Choi is a former Republican Assemblymember.
- Led efforts to improve education, cut taxes, address homelessness, and reduce the cost of healthcare. Steven is pro-business and opposes efforts that increase the cost of gas and energy.
- Conservative shift from Newman.





Senator-Elect Sasha Pérez (Portantino)

- In 2020, Pérez was elected to Alhambra City Council and immediately sworn-in as Mayor, making her the youngest female mayor in San Gabriel Valley history and the youngest Latina mayor to lead a city of more than 50,000 in California.
- Progressive shift from Portantino.

Senator-Elect Eloise Reyes (Vacant)

- Sitting Assemblymember
- Has served as an Assemblymember since 2016



Laura Richardson v. Michelle Chambers (Bradford)

- Laura Richardson is the more moderate D and served on Long Beach City Council, in the State Assembly, and in Congress.
- Michelle Chambers is the more progressive D (endorsed by Bradford) and served on Compton City Council.

Latest Vote Count:

With 100% of precincts partially reporting:

Richardson - 50.5%

Chambers - 49.5%



** Results for this race are not yet final but rather represent the data available at the time of this document's distribution.*



Assemblymember-Elect Nick Schultz (Friedman)

- Mayor of the City of Burbank
- Currently serves as a Deputy Attorney General with the Special Prosecutions Section of the Attorney General's Office with the California Department of Justice
- Knowledge of energy/POU issues
- "I have pushed Burbank Water and Power (BWP) to develop a roadmap to get to 100% clean energy by 2030 by investing in an electric grid that affordably and aggressively reduces greenhouse gasses with renewable energy (e.g., solar and wind)."
- Similar political leanings as Friedman

Assemblymember-Elect Mark Gonzalez (Santiago)

- District Director of Asm. Miguel Santiago
- Former Chair of the LA County Democratic Party
- Endorsed by *LA Times*, Newsom, and Karen Bass
- Supports streamlining environmental regulations to build projects
- Similar political leanings as Santiago





Assemblymember-Elect John Harabedian (Holden)

- Worked as a prosecutor at the Los Angeles District Attorney's office. He was a Sierra Madre City Council member from 2012 to 2020, and served as Mayor. He ran unsuccessfully for L.A. County supervisor in 2020.
- Formerly an attorney at Latham & Watkins, Stanford's Immigrants' Rights Clinic, and the Equality Pro Bono Project.
- Likely to be more moderate than Holden.

Assemblymember-Elect Celeste Rodriguez (L. Rivas)

- Mayor of the City of San Fernando
- Previously served as the Los Angeles Mayor's Deputy Director of Community Development Strategies
- Similar political leanings as Rivas





Assemblymember-Elect Jose Solache (Rendon)

- President of the Greater Lakewood Chamber of Commerce
- Served as a Mayor, Mayor Pro-Tem, and Councilmember in the city of Lynwood since 2013.
- Served for three terms on the Lynwood Unified School District's Board of Education
- Likely to be more moderate than Rendon

Assemblymember-Elect Jessica Caloza (W. Carrillo)

- Served in the Obama Administration in the U.S. Department of Education.
- Appointed as a Commissioner on the Board of Public Works by Mayor Eric Garcetti in 2019.
- Served as Deputy Chief of Staff at the California Department of Justice under Attorney General Rob Bonta.
- Similar political leanings as W. Carrillo, although W. Carrillo has endorsed her opponent, Frankey Carrillo.





Assemblymember-Elect Robert Garcia (Reyes)

- Robert Garcia is a progressive D (endorsed by Reyes) and served as President of the Etiwanda School District Board of Trustees

Assemblymember-Elect Sade Elhawary (Jones- Sawyer)

- Sade Elhawary is a progressive D (endorsed by Jones-Sawyer) and serves as a youth organizer at Community Coalition.





Senator-Elect Valladares (Ochoa-Bogh)

- Valladares served as an Assemblymember from 2020-2022 until she was defeated by Asm. Pilar Schiavo in a close race.

Clarissa Cervantes v. Leticia Castillo (S. Cervantes)



- Leticia, a Republican, is a licensed Clinical Psychotherapist. Priority issues are mental health services, reducing crime, pro-school choice, reducing the cost of living, pro-2nd amendment rights.

- Clarisa, a Democrat, is the sister of Senator Sabrina Cervantes and former Riverside City Council Member. Priority issues include making housing and healthcare affordable, promoting public safety, strong backer of labor unions.



Latest Vote Count:

With 100% of precincts partially reporting:

Cervantes - 49.8%

Castillo - 50.2%

** Results for this race are not yet final but rather represent the data available at the time of this document's distribution.*

Wallis v. Holstege (Wallis)

- This is a rematch from 2022, when sitting Republican Assemblymember Greg Wallis narrowly defeated Christy Holstege.
- Holstege currently serves as the Mayor of Palm Springs.

Latest Vote Count:

With 100% of precincts partially reporting:

Wallis - 50.5%

Holstege - 49.5%

** Results for this race are not yet final but rather represent the data available at the time of this document's distribution.*



Joey Acuña v. Jeff Gonzalez (E. Garcia)



- Acuña, a Democrat, is a former Coachella Valley Unified School District Board Member.
- Priority issues include building affordable housing, lowering healthcare costs, promoting a living-wage, clean air and water, reducing homelessness, combating the fentanyl epidemic.

- Gonzalez, a Republican, is a veteran, small business owner, and pastor.
- Priority issues include increasing access to healthcare, education, and addressing the cost of living.



Latest Vote Count:

With 100% of precincts partially reporting:

Acuña - 48.8%

Gonzalez - 51.2%

** Results for this race are not yet final but rather represent the data available at the time of this document's distribution.*

Governor Newsom's Executive Order

- **Review of Ratepayer-Funded Programs (CEC and CPUC)**
 - Report on programs and laws where benefits do not justify the costs.
- **California's Climate Credit (CARB and CPUC)**
 - Maximize the effectiveness of the California Climate Credit (particularly for low-income customers).
- **Wildfire Safety (OEIS and CPUC)**
 - Examine potential efficiency regarding wildfire mitigation measures.
- **Federal Funding (CPUC)**
 - Direct IOUs to pursue all federal funding opportunities.



Reports Due January 1, 2025

AB 3264 (Petrie-Norris)



Requires CPUC to Develop Scenarios to Reduce Residential Rates by 5, 10 & 15% by 2035



Requires IOUs to Develop Visual Representation of Cost Categories of Residential Rates



Requires CPUC to Report on Cost Effectiveness of IOU & CCA Ratepayer-funded Demand Side Management Programs



Requires CPUC Report Identifying Proposals to Reduce Ratepayer Costs of Building Transmission



West-Wide Governance Pathways Initiative

Final Step 2 Proposal released November 15th

- ▶ Changes from draft
 - Additional language on CAISO's role as a stakeholder, separation between BA and market operator functions
 - Added sectors to the Nominating Committee
 - Added re-evaluation of stakeholder sectors and associated structures at implementation and after two years
 - Identified need for further development of the stakeholder remand process
- ▶ Pathways Stakeholder call Friday, Nov 22, 10 am
 - Anticipate approval by Launch Committee
 - IBEW-sponsored legislation to follow
- ▶ Next Steps:
 - 11/25 1 pm *ad hoc* Regionalization Working Group

Advocacy Events

2025 Public Power Capitol Day (Feb 3)

- **Schedule**

- Morning & Lunch: CMUA Program
- Afternoon: Legislative Meetings
- Dinner Reception: CMUA (likely at Sheraton Grand)
- SCPPA Dinner: Location TBD

- **Logistics**

- SCPPA will send a planning email soon to Legislative Working Group (LWG)
- Hotel: Sheraton Grand using CMUA room block

- **Issue Papers & Talking Points**

- Examples: POU 101; Renewable Energy/Affordability; Cap-and-Trade; Hydrogen
- Further Vetting at LWG and Gov Affairs Strategic Planning Meeting



Advocacy Events

2025 APPA Legislative Rally/SCPPA Fly-in (Feb 24-26)

- **Schedule**

- Monday: APPA Policy Deep Dives (Free); L&R Update; APPA Reception, SCPPA Dinner (Monocle)
- Tuesday: APPA L&R Committee Meeting; APPA Lunch; Meetings; California POU Reception & Dinner
- Wednesday: APPA Breakfast; Meetings

- **Logistics**

- SCPPA will send a planning email soon
- Hotel (SCPPA is securing room block at Capital Hilton)

- **Issue Papers & Talking Points**

- Examples: Muni Bonds, Direct Pay, Infrastructure Grants (e.g., GRIP), Nuclear
- Further Vetting at LWG and Gov Affairs Strategic Planning Meeting



Advocacy Events

SCPPA is Strongly Encouraging SCPPA Members to Invite their Utility Board Members and Council Members to Attend 2025 Advocacy Events

- Better Access
- Elevates Talking Points
- Connects Board Members to Issues



Federal Gov Affairs Consultant Services

- **SCPPA's Federal Government Affairs Consultant Services Contract**
 - Board approved 3-year contract on January 20, 2022, with The Ferguson Group
 - Monthly retainer started at \$10k with annual \$500 adjustment
 - Contract authorizes a 3-year extension
 - However, not-to-exceed amount does not accommodate 3-year extension
 - Legislative Advocacy expenses are allocated equally to 12 Members in the A&G Cost Allocation Plan
- **Recommended Action**
 - Authorize contract's 3-year extension
 - Continue \$500 annual monthly retainer adjustment
 - \$11.5k, \$12k & \$12.5k in 2025, 2026, and 2027, respectively
 - Increase the not-to-exceed amount to accommodate 3-year extension
 - Current not-to-exceed is \$450k
 - Increase by another \$450k (total \$900k)



Recommendation: Approval of Resolution 2024-106

- ▶ Approve Amendment No. 1 to Professional Services Agreement with The Ferguson Group for federal government affairs consultant services to extend the term for three years, continue annual fee adjustments for the extended term, and increase the not-to-exceed amount

State Legislative Consulting Services



- **SCPPA's State Legislative Consulting Services Contract**
 - Board approved 3-year contract on January 20, 2022, with Samson Advisors
 - Monthly retainer is \$15k
 - Contract authorizes a 3-year extension
 - However, not-to-exceed amount does not accommodate 3-year extension
 - Legislative Advocacy expenses are allocated equally to 12 Members in the A&G Cost Allocation Plan.
- **Recommended Action**
 - Authorize contract's 3-year extension
 - Increase the not-to-exceed amount to accommodate 3-year extension
 - Current not-to-exceed is \$600k
 - Increase by another \$600k (total \$1.2m)

Recommendation: Approval of Resolution 2024-107

- ▶ Approve Amendment No. 1 to Professional Services Agreement with Samson Advisors Company for state legislative consulting services to extend the term for three years and increase the not-to-exceed amount

Board Member Comments



Closed Session in progress Regular Meeting will resume shortly.