



**MINUTES
REGULAR MEETING
BOARD OF DIRECTORS
ORANGE COUNTY POWER AUTHORITY**

January 11, 2022

1. CALL TO ORDER

Chair Carroll called to order the regular meeting of the Orange County Power Authority Board of Directors at 12:01 p.m. on Tuesday, January 11, 2022.

The meeting was conducted utilizing teleconference and electronic means consistent with public health orders and guidelines in California and in accordance with the Governor's Executive Orders. There was no location for in-person attendance. Due to the nature of the teleconference, all votes were cast via roll call. In an effort to protect public health, members of the public were able to provide live comments on agenda items using Zoom.

2. PLEDGE OF ALLEGIANCE

Chair Carroll led the Pledge of Allegiance

3. ROLL CALL

Present:	Director Farrah N. Khan	City of Irvine
	Director Mike Posey	City of Huntington Beach
	Director Susan Sonne	City of Buena Park
	Director Don Wagner	Orange County
	Vice Chair Fred Jung	City of Fullerton
	Chair Mike Carroll	City of Irvine

4. CONSENT CALENDAR

4.1. MINUTES FOR THE REGULAR BOARD MEETING OF DECEMBER 14, 2021

Recommended Action:

Approve as submitted.

4.2. MINUTES FOR THE SPECIAL BOARD MEETING OF DECEMBER 21, 2021

Recommended Action:

Approve as submitted.

4.3. APPROVAL OF FORM MASTER POWER PURCHASE AND SALE AGREEMENT

Recommended Action:

Adopt Resolution No. 2022-01 a Resolution of the Board of Directors of Orange County Power Authority Approving Form Master Power Purchase and Sale Agreement, and

Delegating Authority to the Chief Executive Officer to Execute Master Agreements in Substantially Similar Form as Approved to Form by General Counsel.

4.4. AUTHORIZE INCLUSION OF EXECUTIVE EMPLOYEES IN PREVIOUSLY ADOPTED OCPA PERSONNEL POLICIES MANUAL AND OCPA EMPLOYEE BENEFITS PROGRAM

Recommended Action:

Authorize inclusion of executive employees in previously adopted OCPA Personnel Policies Manual and Employee Benefits Program.

Doug Elliott spoke during public comments about the personnel policies and compensation package.

Director Sonne pulled this item from the Consent Calendar.

ACTION

Director Posey made a motion, seconded by Vice Chair Jung:

To adopt the recommended motions on Consent Calendar items 4.1, 4.2, and 4.3. The motion carried as follows:

Ayes: Directors Khan, Sonne, Carroll, Jung, Posey

Nays: None

Absent: Director Wagner

Director Sonne asked questions about the auto stipend.

Ryan Baron, General Counsel, gave an oral report on the benefits package as required by the Government Code.

ACTION

Director Sonne made a motion, seconded by Director Posey, and unanimously carried:

To authorize inclusion of executive employees in previously adopted OCPA Personnel Policies Manual and Employee Benefits Program.

5. REGULAR CALENDAR

5.1. ADOPT THE FINANCIAL AUDIT REPORT FOR THE FISCAL PERIOD ENDED JUNE 30, 2021 FROM PISENTI & BRINKER, LLP

Brett Bradford, Piseni and Brinker, spoke of the independent audit process. He reported the audit received an unmodified opinion meaning that the OCPA financial statements appear to be materially accurate. Piseni and Brinker did not identify any significant deficiencies in internal control.

Jenna Blanchard of Piseni and Brinker reported on the focus areas of the audit process.

ACTION

Director Wagner made a motion, seconded by Vice Chair Jung, and unanimously carried:

To adopt OCPA Year-End Financial Statements and Independent Auditor's Report for the fiscal period ended June 30, 2021 from Pisenti & Brinker, LLP.

5.2. ADOPT RESOLUTION APPROVING INITIAL OCPA RATE DESIGN; AUTHORIZE OCPA BASIC RATES ADJUSTMENTS EFFECTIVE APRIL 2022; APPROVE A NET SURPLUS COMPENSATION RATE FOR NET ENERGY METERING CUSTOMERS; APPROVE THE ESTABLISHMENT OF MONTHLY BILLING FOR ALL NET ENERGY METERING CUSTOMERS; APPROVE THE ESTABLISHMENT OF ANNUAL TRUE-UP PERIOD TO APRIL FOR ALL NET ENERGY METERING CUSTOMERS

Tiffany Law, Chief Financial Officer, presented the item and explained the rate structure.

Kirby Dusel of Pacific Energy Advisors displayed a hypothetical power content label for the three service options and spoke to the importance of customers understanding what they are getting.

Max Bernt, New Gen Strategies, said that rate making is fundamentally composed of two components, the strategies and the principles. He presented slides on estimated expenditures and the determination of the annual revenue requirement of \$287.8 million.

Brian Dickman of Next Gen Strategies presented slides showing the average energy rates for the three rate scenarios and a table comparing those scenarios to SCE's residential rate

May Bernt explained NEM, net energy metering, as it relates to customers who provide solar energy and net surplus compensation (NSC), and their fiscal impact on OCPA.

CFO Law and Kirby Dusel answered questions about the estimated NSC cost of \$45,000 per year and potential rate adjustments as members choose their default service level.

Danny Gray of the Orange County chapter of the Climate Reality Project spoke about the rate scenarios.

Linda Kramer spoke about the power content label, hydroelectric and geothermal power, and thanked the staff and the Board.

Ann Craciun spoke about portfolio choices, clean energy, and rooftop solar.

Senait Forthal spoke about the quality of the rate presentation and net energy metering for solar customers.

Staff and the consultants answered questions of the Directors about future rate adjustments by SCE and OCPA, and the process for member agencies to choose a default rate.

ACTION

Director Posey made a motion, seconded by Director Sonne and unanimously carried to:

1. Approve initial OCPA rates contained in Attachment A (Scenario 3) such that OCPA's Basic Choice rates are set at parity to Southern California Edison ("SCE") rates and all OCPA member agencies will elect Smart Choice as the default service offering.
2. Authorize staff to adjust OCPA Basic Choice rates contained in Attachment A (Scenario 3) as soon as practicable after the SCE March 2022 rate change to maintain rate parity for OCPA Basic Choice customers effective April 2022. Staff shall place a report on the agenda of the next regular board meeting explaining the adjustment and requesting that the board ratify the adjusted initial OCPA rates.
3. Approve a Net Surplus Compensation ("NSC") rate for Net Energy Metering ("NEM") customers at 10% above SCE's NSC rate.
4. Approve the establishment of monthly settlements and billing for all NEM customers.
5. Approve the establishment of annual true-up period to April for all NEM customers.

6. DIRECTOR COMMENTS

Director Sonne spoke about the Community Advisory Committee hiring a Chief Operating Officer.

Board Members thanked staff and the consultants for the rate presentation.

7. STAFF REPORT

No comments

8. PUBLIC COMMENTS

Linda Kraemer thanked the Board and spoke about outreach, hydroelectric, and the rates.

Kyler Chin expressed the urgency of ending the use of fossil fuels.

Stephen Coffey spoke about outreach to youth and the default service levels.

Sylvia Walker thanked the Board. She spoke about terms of office and gift policies.

Danny Gray thanked the Board and spoke about reducing greenhouse gases.

Doug Elliott said he appreciated the work that went into the rate setting presentation, and about OCPA as a public entity.

9. ADJOURNMENT

The January 11, 2022, Regular Meeting of the Orange County Power Authority adjourned at 1:50 p.m. Chair Carroll announced the next regular meeting will be held Tuesday, February 8, 2022 at 10:00 a.m.



Brian S. Probolsky, Authority Secretary