

## Board Update Meeting Summary | Friday, February 20, 2015

*This summary may not include all agenda items and is not considered minutes of the meeting. For complete meeting agenda, click [here](#).*

### **Employee Recognition Presentation:**

General Manager Girish Balachandran recognized Account Manager's Andrew Markis, and Jason Tarasi, of the Customer Relations Division for their exemplary work with creating new efficiency programs and stepping up to handle the increased work load related to the drought response. Water wise landscaping rebate programs in particular, have grown in exponential demand over the past year. He also recognized Griselda Rivera who works in the Finance Division playing a key role in supporting the rebate processing function of the Customer Relations Division. She was praised for her hard work over the past 13 years, and for assisting with reporting and tracking to the CEC for the efficiency programs during a recent staff shortage.

### **Board Member Recognition Presentation:**

General Manager Girish Balachandran recognized Board Vice-Chair Ian Davidson for his dedication and service to the City over the past eight years serving on the Board of Public Utilities. He stated that he has valued Ian for his holistic approach to solving problems and admires his efforts to serve the community on many levels for the betterment and growth of the City of Riverside. He has served during a time when many important infrastructure improvements were made such as the J.W. North Treatment Plant, Riverside Energy Resource Center 3 and 4, Whitegate Reservoir 1 and 2, Evans Reservoir projects, and supported the 100-year Water Supply Plan as well as the Riverside Transmission Reliability Project.

### **Board Actions:**

#### **Board of Public Utilities approves Consent Calendar Items without comment as listed below:**

- Approval was given for the capital expenditure of \$60,000 for the installation of electrical distribution facilities at the Home Front at Camp Anza Development.
- Approved the work order for \$150,000 for additional capital expenditure to upgrade software and all essential hardware in order to meet stringent North American Electric Reliability Corporation Critical Infrastructure Protection (NERC-CIP) requirements for the Supervisory Control and Data Acquisition (SCADA) system.
- Approval was given to authorize an additional capital expenditure for \$30,000 for the removal and replacement of the existing pump and motor for the Thorne 12 Well.
- Approved the annual interest rate of 0.03% for customer deposits related to new utility service.
- Approval was given to extend the term of the Professional Services Agreement with Leidos Engineering for the preparation of a Utility Technology Plan to June 30, 2015.
- Approved the revisions to the Riverside Public Utilities Board Policy Guide, including the Standing Rules, in order to be aligned with City Council rules on Decorum and Oral Communications from the Audience.
- Recommended that the City Council accept a second reimbursement of funds from Western Municipal Water District for the continuation of residential turf removal programs in Riverside Public Utilities service territory and approve a second supplemental appropriation of up to \$1 million for a total of \$1.6 million from the Western Municipal Water District member agency to fund residential turf removal programs.
- Recommended that the City Council approve the creation of a Retail LED lighting buydown program, and approved \$300,000 for a point of purchase program to allow local businesses to sell LED lighting at a subsidized price to encourage residents to improve their lighting efficiency. RPU will receive kWh savings for this program that are required to be reported to the CEC under state mandates.

### **Board approves the San Onofre Nuclear Generating Station (SONGS) Decommissioning Agreement**

Assistant General Manager Reiko Kerr gave a presentation on the status of the Decommissioning Agreement for SONGS. The final agreement has been completed and will move forward through City Council execution on March 3, 2015. All participants must execute the agreement by April 24, 2015 or the agreement terminates.

### **Board receives and files a presentation on the membership benefits of the Southern California Public Power Authority (SCPPA)**

In response to prior public comments, General Manager, Girish Balachandran presented information that explained why it is so beneficial for RPU to be members of SCPPA. He explained that SCPPA was created as a Joint Powers Agency in 1980 to assist public power agencies (12 members) with working together to provide economies of scale that would benefit all members. The organization started out with joint investments in large power generation sources and have expanded and facilitated mutual support and aid functions as the industry has changed over time. Working groups have been created to encompass all facets of the public utility industry as a mechanism for all agencies to work on common problems/projects together for mutual benefit. He indicated that as increased regulatory pressure continues over electric utilities the affiliation with SCPPA will increase as integrated planning will be needed in our region. He gave examples of costs savings as a result of belonging. In essence, group efforts among many agencies save the ratepayers because costs are aggregated across all member agencies.

### **Board receives and files a presentation on the Intermountain Power Project Renewal (IPP)**

General Manager Girish Balachandran provided a status report relating to RPU's interest in IPP. He explained that we currently own a 7.617% share which provides 136MW of coal-fired power to Riverside. The contract with IPP expires in 2027, and will not be renewed because state law now prohibits purchases of coal resources. Options have been explored which include shutdown of this plant or a contract renewal if the plant were to be rebuilt with gas powered generators. There are also transmission contracts that must be renegotiated in order for the power to be delivered to Riverside. Ongoing negotiations with LADWP have been conducted to procure the optimum scenario for RPU to move forward if the plant were to be rebuilt. RPU is weighing all options and will remain focused on risks and consequences of pursuing the project. We are fully engaged in the process to understand, analyze and assess impacts and make appropriate recommendations. He also explained that exploring this option is not mission critical and we will continue to consider other alternatives to replacing this contract based on cost benefits and other criteria.

### **Board receives and files a presentation on the 2014 Power Supply Integrated Resource Plan**

Power Resources Manager, Scott Lesch, provided an in-depth overview of the 2014 Power Supply Integrated Resource Plan. The plan is designed to provide a 20 year road map for power planning utilizing sophisticated modeling methods to determine the best combination of supply-side and demand-side resources. The plan takes into account current and future demand forecasts, discusses legislative impacts of power procurement, assesses current energy efficiency and demand side programs, and quantifies a 5 year intermediate-term power resource forecast. He explained the guiding principles of the plan in regards to selecting new assets or contracts. A series of questions were developed as the criteria that aided in the development of the plans. This process assured alignment with what is best for RPU from all critical angles, keeping in mind that RPU is actively increasing the percentage of renewable energy assets in its resource portfolio. He shared brief overviews of each chapter of the plan in order to explain the depth of analytics involved in developing a 20 year model. Several issues have been identified in the plan but five major findings were identified as listed below:

- Maintain flexibility in the CAISO Market
- Search for Energy Storage/Demand Side Management synergies
- Work towards 40% by 2020 Renewable Portfolio Standard goal
- Continue to examine all IPP alternatives
- Monitor Customer Solar PV penetration levels

The full 300 page plan will be available on [RiversidePublicUtilities.com](http://RiversidePublicUtilities.com) next week and the Board will consider adoption of the plan in April or May 2015.

### **General Manager's Report:**

General Manager Girish Balachandran:

- Reported that the Customer Information System Upgrade Project went live on Tuesday, February 17. He praised the dedicated staff that worked around the clock last weekend to implement the conversion from the old system (Banner) to enQuesta which will enhance the customer experience, and provide more automated workflows for the staff.
- Thanked the board for their flexibility in meeting schedules for July and August.
- Reminded the board of the next Strategic Planning meeting on February 27, at 8:30 am at the Utilities Operations Center, 2911 Adams Street.
- Stated that Jennifer O'Farrell will be our new board member beginning her term on March 5, 2015.

### **Board requests for future updates:**

None at this time.