



**Closed Session in progress Special
Meeting will resume shortly.**



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Board of Directors Meeting

Thursday, February 15, 2024



Board Officer Election Appointment of Officers

CONSENT CALENDAR

A. Minutes of the Board of Directors Meeting

- Regular Meeting Minutes: January 18, 2024

B. Receive and File:

1. Finance Committee Meeting Minutes: January 8, 2024
2. Monthly Investment Report: December 2023
3. Quarterly Investment Report: December 2023
4. SCPPA A&G Budget Comparison Report: December 2023
5. Palo Verde Report: December 2023
6. Magnolia Power Project Operations Report: January 2024
7. Federal Legislative Report: January 2024

C. Resolution 2024-005

D. Resolution 2024-006



EXECUTIVE DIRECTOR REPORT

Working Group Update

Michael S. Webster | *Executive Director*



SCPPA

FINANCE REPORT

Aileen Ma | *Chief Financial &
Administrative Officer*

SOUTHERN TRANSMISSION SYSTEM (STS) RENEWAL PROJECT REVENUE BONDS (SECOND TRANCHE)

STS RENEWAL PROJECT REVENUE BONDS

- ▶ STS Renewal Project
 - ▶ Capital improvements to existing Southern Transmission System
 - ▶ Multiple components with in-service dates from May 2024 to late 2027 or early 2028
 - ▶ Total estimated cost - \$2.4 billion
- ▶ Project Participants
 - ▶ LADWP, Burbank, and Glendale
- ▶ Project Participants desire SCPPA to provide financing

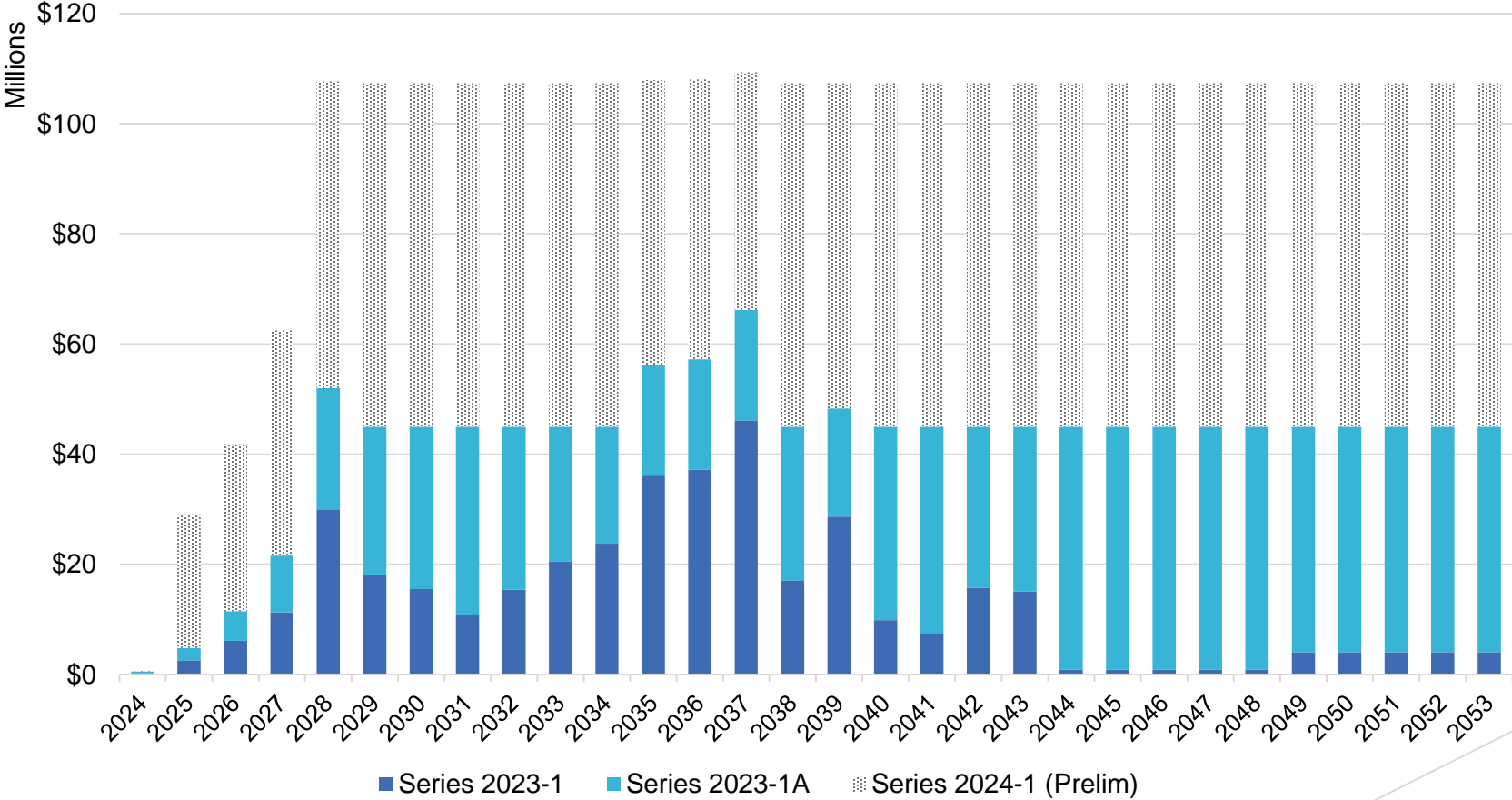
STS RENEWAL PROJECT REVENUE BONDS

Financing Plan

- ▶ Fixed rate tax-exempt project revenue bonds
- ▶ Multiple tranches to reduce capitalized interest and debt service
 - ▶ First tranche issued in April 2023 for \$686 million
 - ▶ Final maturity in 2053
- ▶ Issuing second tranche to cover estimated construction spending through May 2025 - approx. \$960 million
- ▶ Anticipate two additional tranches

STS RENEWAL PROJECT REVENUE BONDS

Approximately level aggregate debt service



Source: PFM



STS RENEWAL PROJECT REVENUE BONDS

- ▶ February 5th - Finance Committee recommended approval of Resolution authorizing the preparation of all necessary documents
- ▶ Current anticipated financing schedule
 - ▶ April 18th - Board approval
 - ▶ Late April - Bond pricing

STS RENEWAL PROJECT REVENUE BONDS

Recommendation:

Approval of Resolution 2024-008 - Authorizing the preparation of financing documents for the sale and issuance of project revenue bonds for the STS Renewal Project

THANK YOU



SCPPA

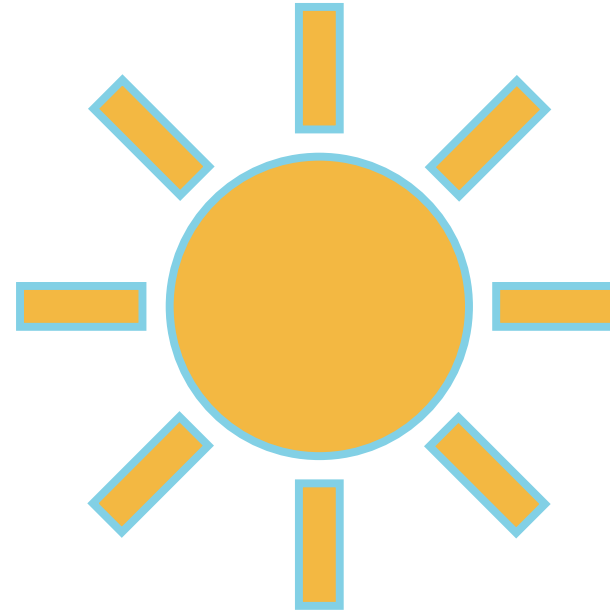
PROJECT DEVELOPMENT

RANDY KRAGER | *Sr. Project Development Manager*

NICOLE SOLANO | *Senior Utility Analyst*

Bonanza Solar & Storage

- ▶ **Participating Members:** Azusa and Pasadena
- ▶ **Contract Capacity:**
 - ▶ 125 MW (PV)
 - ▶ 65 MW (AC) of BESS
- ▶ **Contract Term:** 20 Years
- ▶ **Contract Price:**
 - ▶ \$47.76/MWh (PV Delivered Energy)
 - ▶ \$16.84/kW-month (BESS)
 - ▶ 70% (per MWh) for Startup and Test Energy
 - ▶ Excess Energy is 25% (per MWh) of the applicable price for Delivered Energy
 - ▶ Excess Energy is >115% ACQ
 - ▶ **Point of Delivery:** Innovation Substation
- ▶ **GCOD:** December 31, 2028



Recommendation:

Approval of Resolution 2024-007

- ▶ Authorize the execution of Power Sales Agreements with the City of Pasadena and the City of Azusa for the Bonanza Solar and Storage Project



SCP PA

GOVERNMENT AFFAIRS

MARIO De BERNARDO | *Director, Government Affairs*

ELISABETH de JONG | *Manager, Government Affairs*

NATALIE SEITZMAN | *Energy Policy Advocate, Government Affairs*

Policy Principles Annual Update

- Guiding principles for Reg. and Leg. Working Groups
- Reviewed and Developed through Reg & Leg Working Groups
- New Language
 - Support Reporting Efficiencies
 - Promote Reasonable Regional Market Coordination



Recommendation:

Approval of Resolution 2024-009

- ▶ Annual Update to SCPPA's Guiding Policy Principles for Legislative and Regulatory Affairs

California Energy Commission

- ▶ Power Source Disclosure Program Rulemaking
 - ▶ Updating Power Content Label template, annual reporting requirements, adding hourly reporting (SB 1158)
- ▶ SCPPA Advocacy:
 - ▶ Omit geothermal GHGs from PCL
 - ▶ Support CMUA (resource stacking, emissions factors, line losses, retail sales)
- ▶ Pre-Rulemaking Amendments
 - ▶ Key changes: resource stacking, **geothermal GHGs**
 - ▶ Clarifications: line losses, unspecified emissions
- ▶ Next Steps:
 - ▶ Comments due 2/21
 - ▶ Rulemaking expected to formally begin March/April

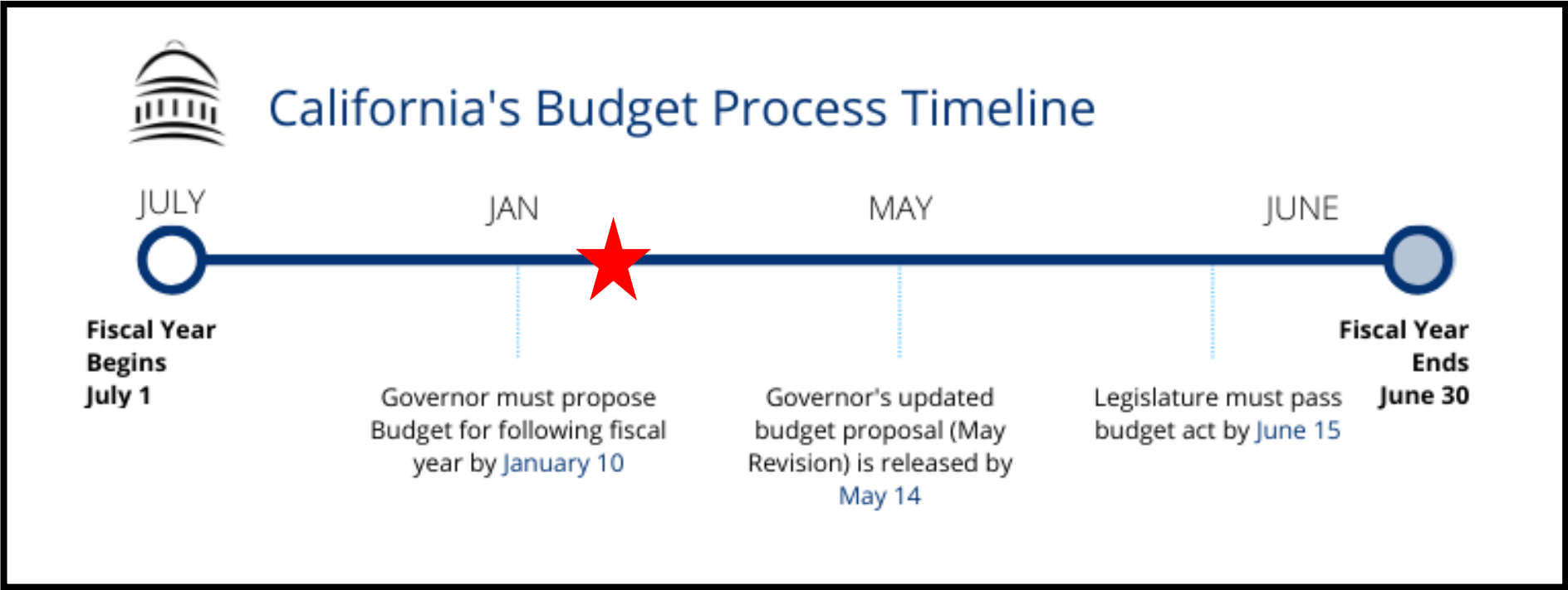
Staff proposes to remove geothermal emissions from the power content label and align the label with the GHG emissions subject to a compliance obligation under Cap-and-Trade.⁶ A footnote would point consumers to the CEC website with further information about GHG emissions that are not included on the label, as shown in **Figure 1**.

CEC Vice Chair Gunda Ongoing Meetings

- ▶ Joint POU Monthly Meetings, Quarterly In-Person Meetings
- ▶ Next Meeting: March 19th
- ▶ Meeting Plan:
 - Coordinating Support for Federal Grants (NCPA)
 - Regional Coordination (Gunda)
 - Future Topics
- ▶ Action Items
 - Resource Adequacy/Load Modifiers (SCPPA)
 - RPS Long Term Contract Proposals (SCPPA)



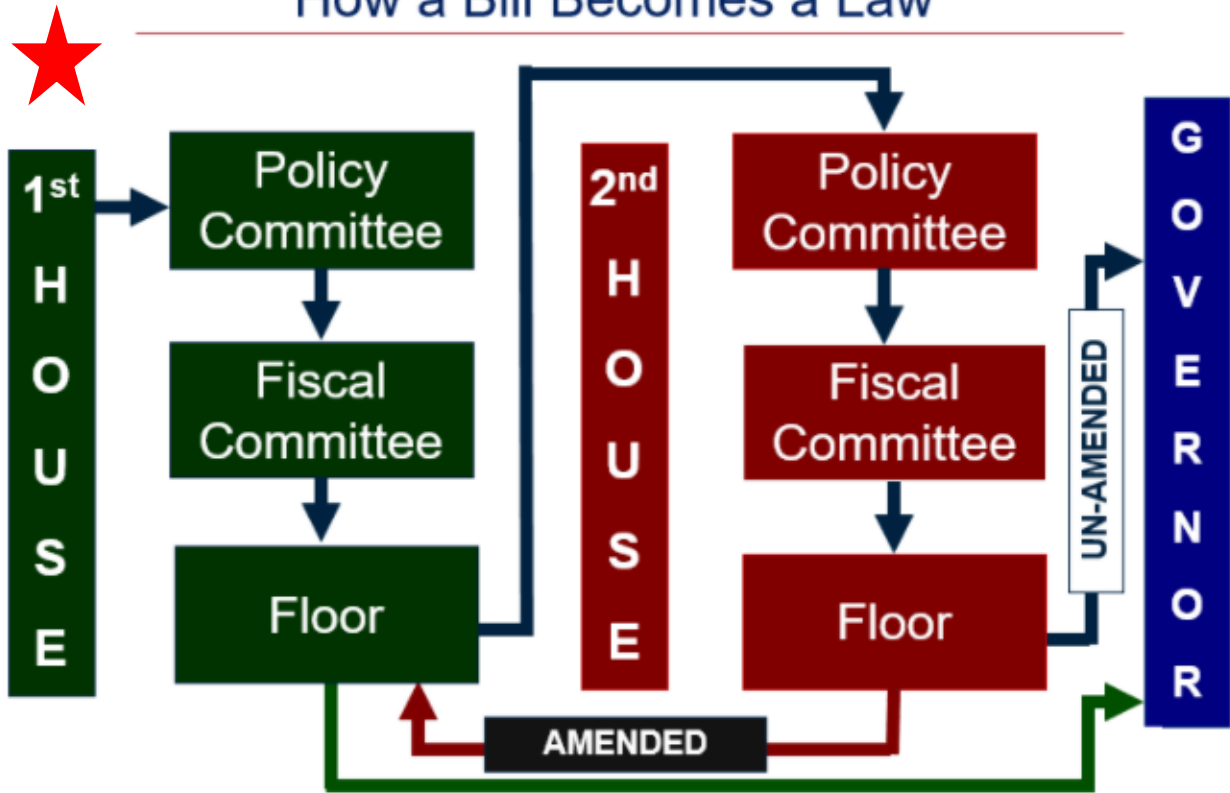
State Budget Timeline



State Legislative Calendar

Legislative Process

“How a Bill Becomes a Law”



Notable Dates:

- Feb 16th
 - Last day for bills to be introduced

*In general, bills introduced must be in print for 30 days before first committee hearing

State Capitol Day Recap

- **Issus Focus: SB 100 Implementation**
 - Current Market Conditions
 - Regulatory Flexibility
- **Meetings**
 - New Asm. U&E Chair
 - Asm. Speaker's Office
 - Senate Energy Committee Chief
 - Several Members & Member Staff
- **Early Legislative Themes**
 - Energy Affordability



Federal Update



BROWN, CRUZ INTRODUCE NEW LEGISLATION TO BOLSTER U.S. TRANSFORMER SUPPLY CHAINS AND PROTECT AMERICAN ENERGY INDEPENDENCE

Legislation Would Ensure Department of Energy Policy Doesn't Hurt Domestic Production of Transformers, a Key Input in Energy Grids; Brown-Cruz Bill Proposes New Standard that Promotes Efficiency While Strengthening U.S. Transformer Production

Federal Update: Transformers (S. 3627)

- **Senate Bi-Partisan Bill**
 - Sen. Sherrod Brown (D-OH)
 - Sen. Ted Cruz (R-TX)
- **Bans DOE Regs on >TSL 2**
- **10-year delay on TSL 1 & 2**
- **House Companion: H. R. 7171**

- “[DOE] **shall not finalize any rule** under which the efficiency level of a liquid-immersed type, low voltage dry type, or medium voltage dry type distribution transformer is **greater than trial standard level 2 as described in table V.1** in the proposed rule entitled ‘Energy Conservation Program: Energy Conservation Standards for Distribution Transformers’.”
- “Any rule finalized by [DOE] under which the efficiency level of a liquid-immersed type, low voltage dry type, or medium voltage dry-type distribution **transformer is trial standard level 1 or 2** (as described in [table V.1](#) in the proposed rule entitled ‘Energy Conservation Program: Energy Conservation Standards for Distribution Transformers’ **shall not take effect until 10 years after the date on which the rule is finalized.**”

APPA Rally/SCPPA Fly-In (February 26-28)

- **9 SCPPA Members, 21 Reps**
- **SCPPA Prep Meeting Options**
 - 2/21 @ 1:30 pm
 - 2/22 @ 1:30 pm
- **SCPPA Issues**
 - Clean Energy (IRA, Transmission, Funding, R&D)
 - Transformers
 - Advanced Refunding Bonds
 - Nuclear (Disposal & SMRs)
- **13 APPA Resolutions**
 - Ex: Hydrogen IRA Credits, Nuclear





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