

**Sonoma Clean Power Community Choice
Aggregation Implementation Plan and
Statement of Intent (First Revised and Updated)**

January 2015



This update to the Sonoma Clean Power CCA Implementation Plan and Statement of Intent makes the following changes to original August 2013 version:

1. Adds the cities of Cloverdale, Petaluma and Rohnert Park to the geographic service territory;
2. Updates load forecasts and financials to account for additional customers in the new cities and lower-than-expected opt-out rates;
3. Makes minor updates the plan to reflect the current SCP program organizational structure, finances and planning.

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CHAPTER 1 – Introduction

The Sonoma Clean Power Authority (“SCPA”) is a public agency located within the geographic boundaries of Sonoma County, formed for the purposes of implementing a community choice aggregation (“CCA”) program (“SCP” or the “SCP Program”). Member Agencies of SCP include the County of Sonoma and the Sonoma County Water Agency (“Members” or “Member Agencies”), and the municipalities of Cloverdale, Cotati, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma and Windsor (“Participants” or “Participating Cities”) have elected to participate on the governing board and allow SCP to provide service within their jurisdictions. This Implementation Plan and Statement of Intent (“Implementation Plan”) describes SCP’s plans to expand the implementation of a voluntary CCA program for electric customers within the jurisdictional boundaries of its Member Agencies and Participating Cities that currently take bundled electric service from Pacific Gas and Electric Company (“PG&E”). The SCP Program gives electricity customers the opportunity to join together to procure electricity from competitive suppliers, with such electricity being delivered over PG&E’s transmission and distribution system. SCP first started serving customers on May 1, 2014 and the planned start date for the cities of Cloverdale, Rohnert Park and Petaluma is June 1, 2015. All current PG&E customers within the new SCP service area will receive information describing the SCP Program and will have multiple opportunities to express their desire to remain full requirement customers of PG&E, in which case they will not be enrolled. Thus, participation in the SCP Program is completely voluntary; however, customers, as provided by law, will be automatically enrolled unless they affirmatively elect to opt out.

SCP’s CCA program enables customers within SCP’s service area to take advantage of the opportunities granted by Assembly Bill 117 (“AB 117”), the Community Choice Aggregation Law. SCP’s primary objectives in implementing this Program are to provide cost competitive electric services; stimulate and sustain the local economy by developing local jobs in renewable energy and energy efficiency; reduce greenhouse gas emissions related to use of power in Sonoma County; implement energy efficiency and demand reduction programs; and develop long-term rate stability and energy reliability for residents through local control. The prospective benefits to consumers include a substantial decrease in greenhouse gas emissions, stable and competitive electric rates, public participation in determining which technologies are utilized to meet local electricity needs, and local/regional economic benefits.

To ensure continuing successful operation of the Program, SCP has hired industry experts in the roles of Director of Procurement, General Counsel and Regulatory

Director. Information regarding SCP's procurement process is provided in the program's Resource Plan, available at:
sonomacleanpower.org/scp-resource-plan

SCP's Implementation Plan reflects a collaborative effort among SCP, its Members and Participants, and the private sector to bring the benefits of competition and choice to electric customers in Sonoma County. By exercising its legal right to form a CCA Program, SCP enables its Members' and Participants' constituents to access the competitive market for energy services and obtain access to increased renewable energy supplies and reductions in GHG emissions. Absent action by SCP and its individual Members and Participants, most customers would have no ability to choose an electric supplier and would remain captive customers of the incumbent utility.

The California Public Utilities Code provides the relevant legal authority for SCP to become a Community Choice Aggregator and invests the California Public Utilities Commission ("CPUC" or "Commission") with the responsibility for establishing the cost recovery mechanism that must be in place before customers can begin receiving electrical service through the SCP Program. The CPUC also has responsibility for registering SCP as a Community Choice Aggregator and ensuring compliance with basic consumer protection rules. The Public Utilities Code requires that an Implementation Plan be adopted at a duly noticed public hearing and that it be filed with the Commission in order for the Commission to determine the cost recovery mechanism to be paid by customers of the Program in order to prevent shifting of costs to bundled customers of the incumbent utility.

On August 15, 2013, at a duly noticed public hearing, pursuant to SCP Resolution No. 2013-0005 (a copy of which is included as a part of Appendix A), SCP considered and adopted the original version of this Implementation Plan. On October 4, 2013 the Commission certified the original version of this Implementation Plan and on January 17, 2014 SCP finalized registration as a CCA with the Commission. The SCPA Board of Directors voted unanimously to approve and adopted this revised and updated version of the Implementation Plan at a duly noticed public hearing held on January 8, 2015.

For SCP customers receiving service under the original Implementation Plan, the Commission established the methodology for determining the cost recovery mechanism, and PG&E approved tariffs for the imposition of the cost recovery mechanism. SCP's newly participating jurisdictions -- Cloverdale, Petaluma and Rohnert Park -- have each adopted a resolution and ordinance permitting SCP to provide service within their jurisdictions.¹ To move forward with providing service

¹ Copies of individual ordinances adopted by SCP's Members and individual resolutions and ordinances adopted by SCP Participants are included as Appendix A.

to the newly participating jurisdictions, SCP now submits this revised and updated Implementation Plan to the CPUC. Following the CPUC's certification of its receipt of this revised and updated Implementation Plan and resolution of any outstanding issues, SCP will begin the customer notification and enrollment process for customers in the newly participating jurisdictions.

Organization of this Implementation Plan

The content of this Implementation Plan complies with the statutory requirements of AB 117. As required by PU Code Section 366.2(c)(3), this Implementation Plan details the process and consequences of aggregation and provides SCP's statement of intent for implementing a CCA program that includes all of the following:

- Universal access;
- Reliability;
- Equitable treatment of all customer classes; and
- Any requirements established by state law or by the CPUC concerning aggregated service.

The remainder of this Implementation Plan is organized as follows:

- Chapter 2: Aggregation Process
- Chapter 3: Organizational Structure
- Chapter 4: Financial Plan for Expansion to New Cities
- Chapter 5: Customer Enrollment Phasing
- Chapter 6: Load Forecast and Resource Plan
- Chapter 7: Financial Plan for Ongoing Program Operation
- Chapter 8: Ratesetting and Program Terms and Conditions
- Chapter 9: Customer Rights and Responsibilities
- Chapter 10: Procurement Process
- Chapter 11: Contingency Plan for Program Termination

Appendix A: SCP Resolutions Approving Implementation Plans and Member and Participant Ordinances

Appendix B: Joint Powers Agreement

The requirements of AB 117 are cross-referenced to Chapters of this Implementation Plan in the following table.

AB 117 Cross References

AB 117 REQUIREMENT	IMPLEMENTATION PLAN CHAPTER
Statement of Intent	Chapter 1: Introduction
Process and consequences of aggregation	Chapter 2: Aggregation Process
Organizational structure of the program, its operations and funding	Chapter 3: Organizational Structure Chapter 4: Financial Plan for Expansion to New Cities Chapter 7: Financial Plan for Ongoing Program Operation
Ratesetting and other costs to participants	Chapter 8: Ratesetting and Program Terms and Conditions Chapter 9: Customer Rights and Responsibilities
Disclosure and due process in setting rates and allocating costs among participants	Chapter 8: Ratesetting and Program Terms and Conditions
Methods for entering and terminating agreements with other entities	Chapter 10: Procurement Process
Participant rights and responsibilities	Chapter 5: Customer Enrollment Phasing Chapter 9: Customer Rights and Responsibilities
Termination of the program	Chapter 11: Contingency Plan for Program Termination
Description of third parties that will be supplying electricity under the program, including information about financial, technical and operational capabilities	Chapter 3: Organizational Structure Chapter 10: Procurement Process

CHAPTER 2 – Aggregation Process

Introduction

This chapter describes the background leading to the development of this Implementation Plan and describes the process and consequences of aggregation, consistent with the requirements of AB 117.

Beginning in 2010, the Sonoma County Water Agency, the County of Sonoma ("County") and Sonoma County municipalities began investigating formation of a CCA Program, pursuant to California state law, with the following primary objectives: 1) provide cost competitive electric services; 2) stimulate and sustain the local economy by developing local jobs in renewable energy; 3) reduce greenhouse gas emissions related to use of power in Sonoma County; and 4) develop long-term rate stability and energy reliability for residents through local control. A feasibility study for a CCA Program serving the region and an independent review of the study were both completed in October 2011.

After nearly a year of collaborative work by representatives of the participating municipalities, independent consultants, local experts and stakeholders, the participating municipalities released a draft Implementation Plan in October 2012, which described the planned organization, governance and operation of the CCA Program. Consistent with the Implementation Plan's described organizational structure, SCP was formed on December 4, 2012 to implement the SCP Program. The original SCP Implementation Plan was submitted to the CPUC on August 20, 2013 and certified by the CPUC on October 4, 2013.

The SCP Program represents a culmination of planning efforts that are responsive to the expressed needs and priorities of the citizenry and business community within Sonoma County. SCP has expanded the energy choices available to eligible customers through its improved net metering program, feed-in tariff and 100 percent local and renewable program called EverGreen. Also, SCP is actively exploring additional program activity, possibly including energy efficiency, demand responsiveness to promote reductions in peak demand, and customized pricing options for large energy users.

Process of Aggregation

Before customers of newly participating jurisdictions are enrolled in the Program, they receive two written notices in the mail, from SCP, that provide the information needed to understand the Program's terms and conditions of service and explain how customers can opt out of the Program, if desired. All customers that do not follow the opt-out process specified in the customer notices will be automatically enrolled, and service will begin at their next regularly scheduled meter read date at least thirty days following the date of automatic enrollment, subject to the service

phase-in plan described in Chapter 5. The initial enrollment notices will be provided to the next phase of new customers in March 2015. Initial enrollment notices will be provided to subsequent customer phases consistent with statutory requirements and based on schedule(s) determined by SCP's Board of Directors.

Customers enrolled in the SCP Program will continue to have their electric meters read and to be billed for electric service by the distribution utility (PG&E). The electric bill for Program customers will show separate charges for generation procured by SCP as well as other charges related to electricity delivery and other utility charges assessed by PG&E.

After service cutover, customers will have approximately 60 days (two billing cycles) to opt out of the SCP Program without penalty and return to the distribution utility (PG&E). SCP customers will be advised of these opportunities via the distribution of two additional enrollment notices provided within the first two months of service. Customers that opt out between the initial cutover date and the close of the post enrollment opt-out period will be responsible for program charges for the time they were served by SCP but will not otherwise be subject to any penalty for leaving the program. Customers that have not opted-out within thirty days of the fourth enrollment notice will be deemed to have elected to become a participant in the SCP Program and to have agreed to the SCP Program's terms and conditions, including those pertaining to requests for termination of service, as further described in Chapter 8.

Consequences of Aggregation

Rate Impacts

SCP Customers will pay the generation charges set by SCP and no longer pay the costs of PG&E generation. Customers enrolled in the Program will be subject to the Program's terms and conditions, including responsibility for payment of all Program charges as described in Chapter 9.

SCP's rate setting policies described in Chapter 7 establish a goal of providing rates that are competitive with the projected generation rates offered by the incumbent distribution utility (PG&E). SCP's governing board, with input from SCP's citizen Ratepayer Advisory Committee, sets rates sufficient to recover all costs related to operation of the Program.

SCP's current rates are between 5% and 8% lower than PG&E's rates, current as of January 1, 2015, when all electric charges and fees are compared. Information regarding prevailing SCP Program rates will be disclosed along with other terms and conditions of service in the enrollment notices sent to potential customers.

Once SCP gives definitive notice to PG&E that it will commence service to customers in the newly participating jurisdictions, SCP customers will generally not be responsible for costs associated with PG&E's future electricity procurement contracts or power plant investments. Certain pre-existing generation costs and new generation costs that are deemed to provide system-wide benefits will continue to be charged by PG&E to CCA customers through separate rate components, called the Cost Responsibility Surcharge and the New System Generation Charge. These charges are shown in PG&E's electric service tariffs, which can be accessed from the utility's website, and the costs are included in charges paid by both PG&E bundled customers as well as CCA and Direct Access customers.²

Lower Greenhouse Gas Impacts

A second consequence of the Program is an increase in the proportion of energy generated and supplied by qualifying renewable and hydroelectric resources. SCP's resource plan includes procurement of renewable energy sufficient to meet a minimum of 33 percent of the SCP Program's electricity needs for all enrolled customers and greenhouse gas (GHG) emissions that are at least 20 percent lower than PG&E's emissions. SCP's 2014 GHG emissions are forecast to be 34% lower than PG&E's 2014 GHG emissions.

SCP customers may also voluntarily participate in a 100 percent local and renewable supply option called EverGreen. To the extent that customers choose SCP's 100 percent renewable energy option, the renewable content of SCP's power supply will be even greater and the GHG emissions even lower. This renewable energy is currently met contractually, but will be complemented, in the future, by the development of new renewable generation resources by or for SCP. SCP emphasizes procurement from locally situated renewable energy projects to the greatest extent practical.

Energy Efficiency Impacts

A third consequence of the Program will be an increase in energy efficiency program investments and activities. The existing energy efficiency programs administered by the distribution utility have not changed, and are not expected to change, as a result of SCP's operation. CCA customers will continue to pay the public benefits surcharges to the distribution utility which will fund energy efficiency programs for all customers, regardless of generation supplier. The energy efficiency investments ultimately planned for the SCP Program, as described in Chapter 5, will be in addition to the level of investment that would continue in the

² For PG&E bundled service customers, the Power Charge Indifference Adjustment element of the Cost Responsibility Surcharge is contained within the tariffed Generation rate. Other elements of the Cost Responsibility Surcharge are set forth in PG&E's tariffs as separate rate charges paid by all customers (with limited exceptions).

absence of the SCP Program. Thus, the SCP Program has the potential for increased energy savings and a further reduction in emissions due to expanded energy efficiency programs. SCP may apply for administration of requisite program funding from the CPUC to independently administer energy efficiency programs within its jurisdiction.

SCP's focus in 2014 was on least cost/best fit energy procurement, but SCP's planning for energy efficiency and demand-side programs will be an important focus in 2015.

CHAPTER 3 – Organizational Structure

This section provides an overview of the organizational structure of SCP and its implementation of the CCA program. Specifically, the key agreements, governance, management, and organizational functions of SCP are outlined and discussed below.

Organizational Overview

The SCP Program has a governing board that establishes SCP Program policies and objectives; management that is responsible for operating the SCP Program in accordance with such policies, and contractors that provide energy and other specialized services necessary for SCP Program operations.

Governance

The SCP Program is governed by the Sonoma Clean Power Authority's (SCPA) Joint Powers Agreement (JPA). Pursuant to the terms of the JPA, each participating jurisdiction appoints one member to serve on SCPA's Board of Directors ("Board"). The SCPA Board is comprised of representatives appointed by the municipalities of Cloverdale, Cotati, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Windsor and the County of Sonoma (which also represents the Sonoma County Water Agency). The SCP Program is operated under the direction of a Chief Executive Officer appointed by the Board, with legal and regulatory support provided by a Board appointed General Counsel and Regulatory Director.

The Board's primary duties are to establish program policies, approve rates and provide policy direction to the Chief Executive Officer, who has general responsibility for program operations, consistent with the policies established by the Board. The Board selects a Chair and other officers from among its membership and may establish an Executive Committee and other committees and sub-committees as needed to address issues that require greater expertise in particular areas (e.g., finance or contracts). SCP also has established a Business Operations Committee and a Ratepayer Advisory Committee formed of Board-selected designees. These committees have responsibility for evaluating various issues that may affect SCP and its customers, including rate-related issues, and provide analytical support and recommendations to the Board in these regards.

Management

The Chief Executive Officer is an employee of SCP, and the Board is responsible for evaluating and managing the Chief Executive Officer's performance.

The Chief Executive Officer has management responsibilities over the functional areas of Resource Planning, Electric Supply, Local Energy Programs, Finance and Rates, Customer Services and Regulatory Affairs. In performing his or her obligations to SCP, the Chief Executive Officer may utilize a combination of internal staff and/or contractors. Certain specialized functions needed for program operations, namely scheduling and customer account management functions, are currently performed by experienced third-party contractors.

Major SCP functions that are managed by the Chief Executive Officer are summarized below.

Resource Planning

SCP must plan for meeting the electricity needs of its customers utilizing resources consistent with its policy goals and objectives. The Chief Executive Officer oversees SCP's Director of Power Services and Procurement, and SCP's Program Manager who develop SCP's Resource Plan under the policy guidance provided by the Board and in compliance with California Law and other requirements of California regulatory bodies. SCP's Business Operations Committee and Regulatory Director are also significantly involved in the drafting and regular updating of SCP's Resource Plan.

Long-term resource planning includes load forecasting and supply planning on a ten- to twenty-year time horizon. SCP currently has a mid-term five year Resource Plan, and will develop a long-term plan after several years of operating experience. SCP resource planning will make maximum use of demand side energy efficiency, distributed generation and demand response programs as well as traditional supply options, which rely on structured wholesale transactions to meet customer energy requirements. SCP's Resource Plan will be updated and adopted by the Board on an annual basis.

Electric Supply Operations

Electric supply operations encompass the activities necessary for wholesale procurement of electricity to serve end use customers. These highly specialized activities include the following:

- *Electricity Procurement* – assemble a portfolio of electricity resources to supply the electric needs of Program customers.
- *Risk Management* – application of standard industry techniques to reduce exposure to the volatility of energy markets and insulate customer rates from sudden changes in wholesale market prices.
- *Load Forecasting* – develop accurate load forecasts, both long-term for resource planning and short-term for the electricity purchases and sales needed to maintain a balance between hourly resources and loads.

- *Scheduling Coordination* – scheduling and settling electric supply transactions with the California Independent System Operator (CAISO) and other balancing authorities.

SCP initially contracted with consultants to provide electricity procurement, risk management and load forecasting, but now manages all of those activities primarily with staff. Scheduling coordination is still contracted with a third party.

Local Energy Programs

A key focus of the SCP Program is the development and implementation of local energy programs, including energy efficiency programs, distributed generation programs and other energy programs responsive to community interests. SCP's Program Manager, under direction from the Chief Executive Officer, is responsible for further development of these programs, as these will be implemented on a phased basis during the first several years of operations. Within the first year of operations, the Board of Directors of SCP will refine and adopt SCP's initial Resource Plan.

SCP will administer an increasing mix of energy efficiency, demand response and distributed generation programs that can be used as cost-effective alternatives to procurement of supply-side resources while supporting the local economy. SCP may attempt to consolidate existing demand-side programs into this organization and will expand energy efficiency offerings to customers throughout its service territory. SCP may apply for CPUC third-party administration of energy efficiency programs and use of funds collected through the existing public benefits surcharges paid by SCP customers.

Finance and Rates

The Chief Executive Officer is responsible for managing the financial affairs of SCP, including the development of an annual budget, revenue requirement and rates; managing and maintaining cash flow requirements; arranging potential bridge loans as necessary and other financial tools.

The Board of Directors has the ultimate responsibility for approving the electric generation rates for the SCP Program's customers. The Chief Executive Officer, in cooperation with staff and appropriate advisors, consultants and committees of the Board will be responsible for developing proposed rates and options for the Board to consider before finalization. The final approved rates must, at a minimum, meet the annual budgetary revenue requirement developed by the Chief Executive Officer, including recovery of all expenses and any reserves or coverage requirements set forth in bond covenants or other agreements. The Board has the flexibility to consider rate adjustments subject to its adopted policies, provided that the overall revenue requirement is achieved. SCP will administer a standardized set

of electric rates and may offer optional rates to encourage policy goals such as economic development or low-income subsidy programs.

SCP may also offer customized pricing options such as dynamic pricing or contract-based pricing for energy intensive customers to help these customers gain greater control over their energy costs. This would provide such customers – mostly large business users – with a greater range of power options than currently available to them.

SCP's finance function is responsible for arranging financing necessary for power purchase, any capital projects, preparing financial reports, and ensuring sufficient cash flow for successful operation of the SCP Program. The finance function plays an important role in risk management by monitoring the credit of energy suppliers so that credit risk is properly understood and mitigated. In the event that changes in a supplier's financial condition and/or credit rating are identified, SCP will be able to take appropriate action, as is provided for in the electric supply agreement(s). The Finance function establishes general credit policies that the SCP Program must follow.

Communications and Customer Services

The customer services function includes general program marketing and communications under SCP's Director of Marketing and Public Affairs, as well as direct customer interface ranging from management of key account relationships to call center and billing operations under SCP's Director of Customer Service. SCP conducts program marketing to raise consumer awareness of SCP and to establish the SCP "brand" in the minds of the public, with the goal of retaining and attracting as many customers as possible into the SCP Program. Communications are sometimes directed at key policy-makers at the state and local level, community business and opinion leaders, and the media.

In addition to general program communications and marketing, a significant focus on customer service, particularly representation for key accounts, enhances SCP's ability to differentiate itself as a highly customer-focused organization that is responsive to the needs of the community. SCP contracts with a customer call center designed to field customer inquiries and routine interaction with customer accounts.

The customer service function also encompasses management of customer data. Customer data management services include retail settlements/billing-related activities and management of a customer database. This function processes customer service requests and administers customer enrollments and departures from the SCP Program, maintaining a current database of enrolled customers. This function coordinates the issuance of monthly bills through the distribution utility's billing process and tracks customer payments. Activities include the electronic

exchange of usage, billing, and payments data with the distribution utility and SCP, tracking of customer payments and accounts receivable, and issuance of late payment and/or service termination notices (which would return affected customers to bundled service).

The customer data management services function also manages billing-related communications with customers, customer call centers, and routine customer notices. SCP has initially contracted with a third party, who has demonstrated the necessary experience and administers appropriate computer systems (customer information system), to perform the customer account and billing services functions.

Legal and Regulatory Representation

The SCP Program requires ongoing regulatory representation to manage various regulatory compliance filings related to resource plans, resource adequacy, compliance with California's Renewables Portfolio Standard ("RPS"), and overall representation on issues that will impact SCP, its Members, Participants and customers. SCP's Regulatory Director serves this function, and her level of engagement at the CPUC, the California Energy Commission, the California Independent System Operator, the Federal Energy Regulatory Commission and the California legislature is extremely variable, depending on open proceedings and legislative initiatives.

SCP's General Counsel provides all legal services to SCP, retaining outside counsel as needed.

CHAPTER 4 – Financial Plan for Expansion to New Cities

This Chapter presents SCP's financial plans for the expansion of service to Cloverdale, Petaluma and Rohnert Park. Current program financial performance is strong, with a forecast net position of over \$5 million by June 30, 2015.

Startup Activities

The SCP Program has completed the following startup activities for its existing service territory, and now continues to build on this work to serve the three additional cities:

- Hired staff and/or contractors to manage implementation
- Negotiated initial supplier contracts
 - Electric supply
 - Meter Data Management
 - Will now negotiate for energy and resource adequacy for new load
- Defined and executed communications plan
 - Customer research/information gathering
 - Media campaign
 - Key customer/stakeholder outreach
 - Informational materials and customer notices
 - Customer call center
- Pay utility service initiation, notification and switching fees
- Perform customer notification, opt out and transfers
- Conduct load forecasting
- Establish rates
- Legal and regulatory support
- Financial management and reporting

Other costs related to starting up the SCP Program are the responsibility of the SCP Program's contractors. These include capital requirements needed for supplier collateral/credit support for electric supply expenses, customer information system costs, electronic data exchange system costs, call center costs, and billing administration/settlements systems costs.

Staffing and Contract Services

Personnel in the form of SCP staff or contractors will be added incrementally to match workloads involved in the organization, managing contracts, and managing customer outreach/marketing. SCP currently has 10 staff and will grow to around 15 over the next two years. Additional staff could be needed beyond this number if

SCP chooses to implement customer demand-side programs directly rather than contracting with third parties.

Capital Requirements

SCP requires capital for three major functions: (1) staffing and contractor costs; (2) other normal business expenses; and (3) working capital and collateral for energy and resource adequacy purchases. Each of these functions and associated capital requirements are discussed below. The finance plan in Chapter 7 provides a more detailed discussion of the capital requirements and Program finances.

After all current debts and liabilities are subtracted from assets, SCP finances as of October 31, 2014 are strong, with a net position of \$9.5 million. Note, however, that, as reflected previously, this net position is forecasted to fall to \$5 million after accounting for the impact of lower winter rates.

Operating revenues from sales of electricity are remitted to SCP beginning approximately sixty days after initial customer enrollments in each phase. This lag is due to the distribution utility's standard meter reading cycle of 30 days and a 30-day payment/collections cycle. SCP uses working capital to support electricity procurement and costs related to program management.

The additional borrowing needed to cover cash flow needs relating to energy and resource adequacy for the additional load in the three new cities is estimated to be less than \$2 million.

Financing Plan

The initial start-up funding to launch SCP was provided via a bank credit facility that can be drawn upon as needed to cover expenditures. SCP will recover the principal and interest costs associated with the start-up funding via retail rates. It is anticipated that the start-up bank loans can be repaid within the first four years of operations.

CHAPTER 5 – Customer Enrollment Phasing

SCP enrolled its existing customers in two phases, beginning with most commercial customers in May 2014, and extending to all remaining customers in SCP's initial territory in December 2014. The next enrollment of customers in Cloverdale, Petaluma and Rohnert Park will occur in June 2015. All eligible customers in those cities will be enrolled in a single phase.

SCP has 161,000 active customer accounts and will offer service to approximately 31,000 additional customer accounts in 2015. SCP forecasts total participation to be at about 85% of eligible customers based on experience with our current customers, meaning that about 15% of eligible customers are expected to opt out and continue to receive bundled service from PG&E.

CHAPTER 6 - Load Forecast and Resource Plan

Introduction

This Chapter describes the planned mix of electric resources and demand reduction programs that will meet the energy demands of SCP's customers using a highly renewable, low greenhouse gas emission, diversified portfolio of electricity supplies. Several overarching policies govern the resource plan and the ensuing resource procurement activities that will be conducted in accordance with the plan. These key policies are as follows:

- SCP will seek to reduce the greenhouse gas emissions associated with electricity used by its customers.
- SCP will seek to increase use of renewable energy resources.
- SCP will benefit the area's economy through investment in local infrastructure, projects and energy programs.
- SCP will manage a diverse resource portfolio to increase control over energy costs and maintain competitive and stable electric rates.
- SCP will help customers reduce energy costs through investment in and administration of enhanced customer energy efficiency, distributed generation, and other demand reducing programs.

SCP's initial resource mix includes a renewable energy content of 33% and greenhouse gas emissions at least 20% below PG&E's mix. As the SCP Program moves forward, incremental renewable and low/zero carbon supply additions will be made based on resource availability and cost. Rather than focusing on increases to the percentage of qualifying renewable resources, SCP has shifted to focus more on reducing total GHG emissions. This change in focus is documented in SCP's draft Resource Plan available at SonomaCleanPower.org.

SCP seeks to supply the program with local renewable resources to the greatest extent technically and economically feasible, recognizing that local renewable resource development must be weighed with the goal of maintaining competitive rates.

The Resource Plan will also establish ambitious targets for improving customer side energy efficiency.

The Resource Plan describes how SCP accomplishes the following:

- Procure energy needed to offer two generation rate tariffs: 100 percent local renewable and 33 percent renewable through contracts with experienced, financially stable energy suppliers.
- Continue decreasing GHG emissions and increasing minimum renewable energy supplies based on resource availability and economic goals of the program.
- Administer customer programs to reduce net electricity purchases by 1%-2%, consistent with best practices in the industry.
- Encourage distributed renewable generation in the local area through the offering of a standardized power purchase agreement or “Feed-In Tariff”; a net energy metering tariff; and a solar cooperative program for customers lacking feasible on-site solar applications.

SCP must comply with regulatory rules applicable to California load serving entities. SCP currently contracts with Constellation to schedule sufficient electric supplies to meet the hour-by-hour demands of its customers. SCP adheres to capacity reserve requirements established by the CPUC and the CAISO designed to address uncertainty in load forecasts and potential supply disruptions caused by generator outages and/or transmission contingencies. These rules also ensure that physical generation capacity is in place to serve SCP’s customers, even if there were a need for the SCP Program to cease operations and return customers to PG&E. In addition, SCP is responsible for ensuring that its resource mix contains sufficient production from qualifying renewable energy resources needed to comply with the statewide RPS (For 2015, 23.3% renewable energy supply and increasing to 33% by 2020). SCP’s Resource Plan meets or exceeds all of the applicable regulatory requirements related to resource adequacy and the RPS.

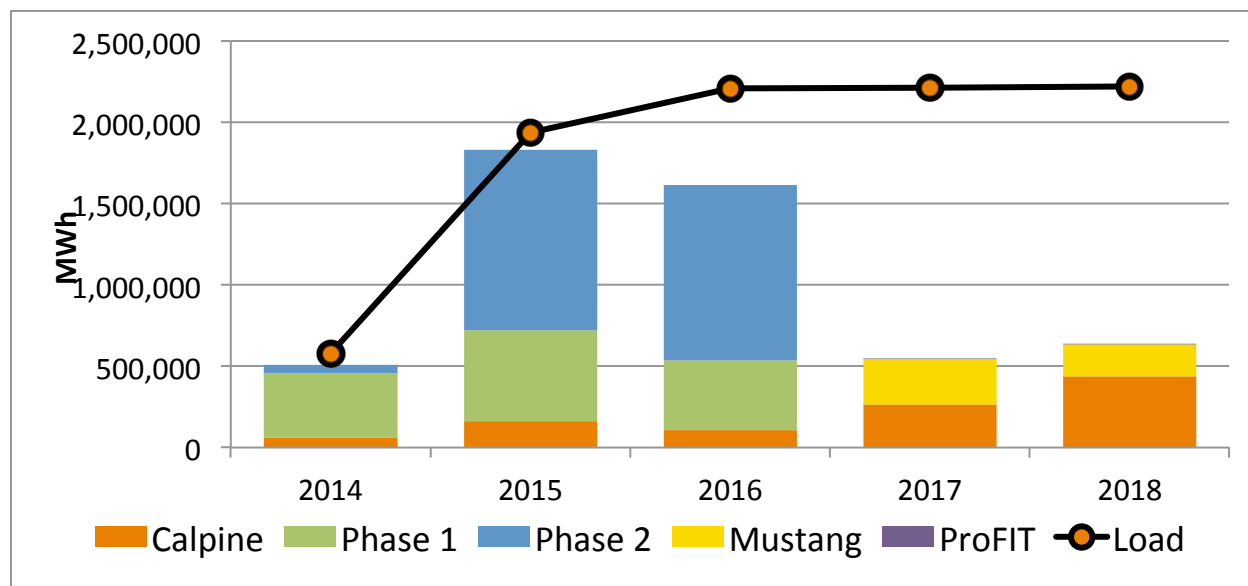
Resource Plan Overview

To meet SCP’s objectives and satisfy the applicable regulatory requirements pertaining to SCP’s status as a California load serving entity, SCP’s Resource Plan includes a diverse mix of power purchases, renewable energy, new energy efficiency programs, demand response, and distributed generation. A diversified resource plan minimizes risk and volatility that can occur from over-reliance on a single resource type or fuel source, and thus increases the likelihood of rate stability. The ultimate goal of SCP’s Resource Plan is to minimize customer energy consumption and maximize use of renewable and low/zero carbon resources, particularly local resources, subject to economic and operational constraints. SCP’s power portfolio is currently comprised of power purchases from third party electric suppliers but, in the longer-term, may also include renewable generation assets owned and/or controlled by SCP.

While SCP is currently solely focused on contracting with third parties to produce power, it may explore opportunities in the future for investment in renewable generating assets, subject to then-current market conditions, statutory requirements and regulatory considerations. Any renewable generation owned by SCP or controlled under long-term power purchase agreement with a proven public power developer, could provide a portion of SCP's electricity requirements on a cost-of-service basis. Depending upon market conditions and, importantly, the applicability of future changes in tax incentives for renewable energy development, electricity purchased under a cost-of-service arrangement may be more cost-effective than purchasing renewable energy from third party developers. Any investment decisions will be made following thorough environmental reviews and in consultation with qualified financial and legal advisors.

SCP's Resource Plan will integrate supply-side resources with programs that will help customers reduce their energy costs through improved energy efficiency and other demand-side measures. As part of its Resource Plan, SCP will actively pursue, promote and ultimately administer a variety of customer energy efficiency programs that can cost-effectively displace supply-side resources and impacts.

SCP's currently contracted resources are summarized in the following table and diagram.



Contract Name	Description	Term
Phase 1/1A	Bundled Conventional, Carbon-Free, and Renewable Energy and Resource Adequacy Contract to Meet Phase 1 Load.	5/1/2014 through 12/31/2016
Phase 2 (2014/2015)	Bundled Conventional, Carbon-Free, and Renewable Energy Contract to Meet Phase 2 Load for 2014 and 2015.	12/1/2014 through 12/31/2015
Phase 2 (2016)	Bundled Conventional, Carbon-Free, and Renewable Energy Contract to Meet Phase 2 Load in 2016.	1/1/2016 through 12/31/2016
Geysers 1	10-Year Bundled Renewable Energy and Resource Adequacy Contract from Local Geothermal Resources, beginning with 10 MW in 2014 up to 18 MW in 2020.	5/1/2014 through 12/31/2023
Geysers 2	10-Year Bundled Renewable Energy and Resource Adequacy Contract from Local Geothermal Resources, beginning in 2017. Contract is structured to bring total Geysers 1 and 2 delivery to 30 MW in 2017 and 50 MW from 2018 through 2026.	1/1/2017 through 12/31/2026
Geysers 3	1-Year, 65,000 MWh Category 1 RPS-qualified energy.	1/1/2017 through 12/31/2017
Mustang 1	20-Year, 30 MW Renewable Energy Contract from New Solar Photovoltaic Project in California beginning delivery in 2017.	1/1/2017 through 12/31/2036
Mustang 3	20-Year, 40 MW Renewable Energy Contract from New Solar Photovoltaic Project in California beginning delivery in 2017. <i>Note: Mustang 2 is a separate 30-MW tranche of the total project under contract with a third, unknown party.</i>	1/1/2017 through 12/31/2036
Mustang 4	1-Year, 30 MW Renewable Energy Contract from New Solar Photovoltaic Project in California delivering in 2017.	1/1/2017 through 12/31/2017

SCP's proposed resource plan for the years 2014 through 2023 is summarized in the following table:

Sonoma Clean Power Proposed Resource Plan (GWh) 2014 to 2023										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
SCP Demand (GWh)										
Retail Demand	-590	-1,971	-2,249	-2,257	-2,265	-2,273	-2,281	-2,289	-2,297	-2,305
Distributed Generation	9	33	40	42	44	46	49	51	54	57
Energy Efficiency	0	0	31	33	34	36	38	40	42	45
Losses and UFE	-35	-118	-135	-135	-136	-136	-137	-137	-138	-138
Total Demand	-617	-2,056	-2,313	-2,318	-2,322	-2,327	-2,331	-2,334	-2,338	-2,341
SCP Supply (GWh)										
<u>Renewable Resources</u>										
Generation	0	0	0	26	26	26	26	25	25	25
Power Purchase Contracts	192	665	804	825	873	921	969	972	974	976
Total Renewable Resources	192	665	804	851	899	947	995	997	999	1,001
<u>Carbon-Neutral Resources</u>										
Power Purchase Contracts	259	888	968	870	840	798	755	757	759	761
Total Renewable Resources	259	888	968	870	840	798	755	757	759	761
<u>Conventional Resources</u>										
Power Purchase Contracts	166	503	541	597	583	582	581	580	580	579
Total Conventional Resources	166	503	541	597	583	582	581	580	580	579
Total Supply	617	2,056	2,313	2,318	2,322	2,327	2,331	2,334	2,338	2,341
Energy Open Position (GWh)	0	0	0	0	0	0	0	0	0	0

Supply Requirements

SCP's projected electric consumption is evaluated on an hourly basis, and matched with resources best suited to serving the aggregate of hourly demands or the program's "load profile." SCP's rollout plan and assumptions regarding customer participation rates are discussed below.

Customer Participation Rates

Customers will be automatically enrolled in the SCP Program unless they opt out during the customer notification process conducted during the 60-day period prior to enrollment and continuing through the 60-day period following commencement of service. SCP anticipates an overall customer participation rate of approximately 85 percent of PG&E bundled service customers, based on actual opt-out rates for SCP's current customers. SCP does not automatically enroll direct access service customers.

The participation rate is not expected to vary significantly among customer classes, in part due to the fact that SCP will offer two distinct rate tariffs that will address

the needs of cost-sensitive customers as well as the needs of both residential and business customers that prefer a highly renewable energy product. The assumed participation rates will continue to be refined as SCP's rollout to new customers continues.

Customer Forecast

Once new customers are enrolled, they will be switched over to service by SCP on their regularly scheduled meter read date over an approximately thirty day period. SCP assumes that customer growth will generally be offset by customer attrition (opt-outs) and energy efficiency improvements over time, resulting in a relatively stable customer base (0.2% annual growth) over the noted planning horizon. Because CCA in California has a relatively short history, it is very difficult to anticipate with any precision the actual levels of customer participation within the SCP Program. SCP believes that its assumptions regarding the offsetting effects of growth and attrition are reasonable in consideration of the historical customer growth within Sonoma County and the potential for continuing customer opt-outs following mandatory customer notification periods. The forecast of service accounts (customers) served by SCP for each of the next ten years is shown in the following table:

Sonoma Clean Power Retail Service Accounts (End of Year) 2014 to 2023										
Customers	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Residential	140,282	167,264	167,598	167,933	168,268	168,604	168,941	169,278	169,616	169,955
Small Commercial	14,486	17,879	17,914	17,949	17,984	18,019	18,055	18,091	18,127	18,163
Medium Commercial	1,427	1,858	1,861	1,864	1,867	1,870	1,873	1,876	1,879	1,882
Large Commercial	434	588	589	590	591	592	593	594	595	596
Industrial	10	11	11	11	11	11	11	11	11	11
Street Lighting & Traffic	1,646	1,742	1,745	1,748	1,751	1,754	1,757	1,760	1,763	1,766
Agricultural	2,627	2,635	2,640	2,645	2,650	2,655	2,660	2,665	2,670	2,675
Total	160,912	191,977	192,358	192,740	193,122	193,505	193,890	194,275	194,661	195,048

Sales Forecast

The annual electricity needed to serve SCP's retail customers increases from over 590 GWh in 2014 to approximately 2,250 GWh at full rollout. Annual energy requirements are shown below.

Sonoma Clean Power Energy Requirements (GWH) 2014 to 2023										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Demand (GWh)										
Retail Demand	590	1,971	2,249	2,257	2,265	2,273	2,281	2,289	2,297	2,305
Distributed Generation	-9	-33	-40	-42	-44	-46	-49	-51	-54	-57
Energy Efficiency	0	0	-31	-33	-34	-36	-38	-40	-42	-45
Losses and UFE	35	118	135	135	136	136	137	137	138	138
Total Demand	617	2,056	2,313	2,318	2,322	2,327	2,331	2,334	2,338	2,341

Capacity Requirements

The CPUC's resource adequacy standards applicable to SCP require a demonstration one year in advance that SCP has secured physical capacity for 90 percent of its projected peak loads for each of the five months May through September, plus a minimum 15 percent reserve margin. On a month-ahead basis, SCP must demonstrate 100 percent of the peak load plus a minimum 15 percent reserve margin. SCP is also subject to the flexible capacity requirements that were implemented in 2015.

A portion of SCP's capacity requirements must be procured locally, from the Greater Bay area as defined by the CAISO, from local reliability areas outside the Greater Bay Area, and from flexible resources capable of increasing and decreasing output quickly. SCP is required to demonstrate its local capacity requirement for each month of the following calendar year. The local capacity requirement is a percentage of the total (PG&E service area) local capacity requirements adopted by the CPUC based on SCP's forecasted peak load. SCP must demonstrate compliance or request a waiver from the CPUC requirement as provided for in cases where local capacity is not available.

SCP's resource adequacy requirements for 2014 and forecasted requirements for 2015 and 2016 are shown in the following table:

**Sonoma Clean Power
Forward Capacity and Reserve Requirements
(MW)
2014 to 2016**

Month	2014	2015	2016
January	-	285	286
February	-	294	295
March	-	244	244
April	-	241	241
May	114	230	230
June	114	366	367
July	114	283	284
August	116	356	357
September	123	357	358
October	106	281	282
November	95	347	348
December	239	327	328

SCP's plan ensures that sufficient reserves will be procured to meet its peak load at all times. SCP's projected annual capacity requirements are shown in the following table:

**Sonoma Clean Power
Capacity Requirements
(MW)
2014 to 2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Demand (MW)										
Retail Demand	235	387	388	389	389	390	391	392	392	393
DG/EE	0	-6	-6	-7	-7	-7	-8	-8	-8	-9
Losses and UFE	7	12	12	12	12	12	12	12	12	12
Total Net Peak Demand	242	393	393	394	394	395	395	395	396	396
Coincident Peak Adjustment	-22	-27	-27	-27	-27	-27	-27	-27	-27	-27
Reserve Requirement	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Capacity Reserve Requirement	33	55	55	55	55	55	55	55	55	55
RMR/CAM Allocation	-14	-54	-54	-54	-54	-54	-55	-55	-55	-55
Resource Adequacy Requirement	239	366	367	367	368	368	368	369	369	369

Local and flexible capacity requirements are functions of the PG&E area resource adequacy requirements and SCP's projected peak demand. SCP works with the CPUC's Energy Division and staff at the California Energy Commission to obtain the

data necessary to calculate SCP's monthly local capacity requirement. A preliminary estimate of SCP's annual local capacity requirement for the ten year planning period ranges from approximately 109 MW to 178 MW as shown in the following table:

Sonoma Clean Power Local Capacity Requirements (MW) 2014 to 2023										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
SCP Area Peak	242	393	393	394	394	395	395	395	396	396
Local Capacity Requirement (% of Peak)	45%	45%	45%	45%	45%	45%	45%	45%	45%	45%
Greater Bay Area Share of Local Capacity Requirement (%)	48%	48%	48%	48%	48%	48%	48%	48%	48%	48%
Other PG&E Share of Local Capacity Requirement (%)	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%
SCP Local Capacity Requirement, Greater Bay Area (MW)	52	85	85	85	85	85	85	85	85	86
SCP Local Capacity Requirement, Other PG&E Area (MW)	57	92	92	92	92	92	92	93	93	93
SCP Local Capacity Requirement, Total (MW)	109	177	177	177	177	178	178	178	178	178
Flexible Capacity Requirement (MW)*	N/A	106	106	106	106	106	106	106	106	106

*Flexible Capacity % Requirement Varies By Month (may not coincide with month of peak demand)

SCP has coordinated with PG&E and appropriate state agencies to manage the transition of responsibility for resource adequacy from PG&E to SCP during 2014-2016. For system resource adequacy requirements, SCP makes month-ahead showings for each month that SCP plans to serve load, and load migration issues are addressed through the CPUC's approved procedures.

Renewables Portfolio Standards Energy Requirements

Basic RPS Requirements

As a CCA, SCP is required by law and ensuing CPUC regulations to procure a certain minimum percentage of its retail electricity sales from qualified renewable energy resources. For purposes of determining SCP's renewable energy requirements, the same standards for RPS compliance that are applicable to the distribution utilities apply to SCP.

SCP's Renewables Portfolio Standards Requirement

SCP's annual RPS requirements and Program Targets are shown in the table below. Based on planned renewable energy procurement objectives, SCP anticipates that it will significantly exceed the minimum RPS requirements as shown below.

Sonoma Clean Power
RPS Requirements and Program Targets
(MWh)
2014 to 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Retail Sales	581,000	1,938,000	2,209,000	2,215,000	2,221,000	2,226,000	2,232,000	2,237,000	2,243,000	2,248,000
RPS Requirement (% of Retail Sales)	22%	23%	25%	27%	29%	31%	33%	33%	33%	33%
RPS Program Target (% of Retail Sales)	33%	33%	35%	37%	39%	41%	43%	43%	43%	43%
RPS Requirement (MWh)	126,077	451,554	552,250	598,050	644,090	690,060	736,560	738,210	740,190	741,840
RPS Program Target (MWh)	191,730	639,540	773,150	819,550	866,190	912,660	959,760	961,910	964,490	966,640
Surplus in Excess of RPS (MWh)	65,653	187,986	220,900	221,500	222,100	222,600	223,200	223,700	224,300	224,800

Purchased Power

Power purchased from utilities, power marketers, public agencies, and/or generators will be a significant source of supply during the first several years. SCP initially contracted to obtain most of its electricity from a third party electric provider. The third party supplier is responsible for procuring a mix of power purchase contracts, including specified renewable energy targets, to provide a stable and cost-effective resource portfolio for the Program. SCP is, however, gradually transitioning to self management of many or all of these responsibilities. In doing so, SCP anticipates an improved ability to continue to provide cleaner, competitively priced power.

Renewable Resources

SCP currently procures all its renewable power supply from its third party electric suppliers and developers. 1 MW of feed-in tariff local solar is now under contract, and additional local resource development is expected. Renewable projects that are located virtually anywhere in the Western Interconnection can be considered, but SCP has a strong preference for local and California-based projects.

Renewable Energy Certificates/Credits

Load serving entities ("LSEs"), including SCP, have discretion when procuring renewable energy to satisfy voluntary "green" pricing programs. Key concerns, including cost (as well as related ratepayer impacts) and operational feasibility, must be balanced by LSEs to achieve an effective portfolio of renewable energy resources. Central to this discussion is the use of unbundled Renewable Energy Certificates/Credits, or RECs, which were intended to promote renewable project development while ensuring operational flexibility and reduced overall renewable energy procurement costs for the LSE. While this strategy has been endorsed by

the U.S. Environmental Protection Agency³ and has been employed by a range of California load serving entities when administering voluntary green pricing programs, SCP has determined that the use of unbundled renewable energy credits for the purpose of achieving greenhouse gas emissions reduction is difficult to audit and verify. Since the value of an unbundled renewable energy credit is linked to the effective tracking of reported emissions from the null power backing it, and because emissions from null power are not reported and tracked between states, SCP has chosen to forgo the use of unbundled renewable energy credits for voluntary (above-RPS) power until this matter is resolved. SCP also voluntarily refrains from using unbundled RECs to offset GHG emissions for the same reason.

Energy Efficiency

SCP's energy efficiency goals reflect a strong commitment to increasing energy efficiency within the County, expanding beyond the savings achieved by PG&E's programs. SCP seeks to maximize end-use customer energy efficiency by facilitating customer participation in existing utility programs as well as by forming new programs that will displace SCP's need for traditional electric procurement activities.

Forecast energy efficiency savings equal to 1 percent of SCP's projected energy sales appears to be a reasonable baseline for the demand-side portion of SCP's resource plan. For example, the National Action Plan for Energy Efficiency states among its key findings "consistently funded, well-designed efficiency programs are cutting annual savings for a given program year of 0.15 to 1 percent of energy sales."⁴ The American Council for an Energy-Efficient Economy (ACEEE) reports for states already operating substantial energy efficiency programs that an energy efficiency goal of one percent, as a percentage of energy sales, is a reasonable level to target.⁵ These savings would be in addition to the savings achieved by PG&E administered programs. Achieving this goal will mean at least a doubling of energy savings relative to the status quo (without the SCP program). SCP programs will focus on closing the gap between the vast economic potential of energy efficiency within the County and what is actually achieved.

SCP will develop specific energy efficiency programs and may seek program funding from the CPUC to administer these energy efficiency programs. Additional details of SCP's energy efficiency plan are currently under development.

³ Discussion paper: "EPA's Green Power Partnership: The Environmental Value of Purchasing Renewable Energy Certificates Voluntarily," October 2010.

⁴ National Action Plan for Energy Efficiency, July 2006, Section 6: Energy Efficiency Program Best Practices (pages 5-6)

⁵ Energy Efficiency Resource Standards: Experience and Recommendations, Steve Nadel, March 2006, ACEEE Report E063 (pages 28 - 30).

Demand Response

Demand response programs provide incentives to customers to reduce demand upon request by the load serving entity (i.e., SCP), reducing the amount of generation capacity that must be maintained as infrequently used reserves. Demand response programs can be cost effective alternatives to procured capacity that would otherwise be needed to comply with California's resource adequacy requirements. The programs also provide rate benefits to customers who have the flexibility to reduce or shift consumption for relatively short periods of time when generation capacity is most scarce. Like energy efficiency, demand response can be a win/win proposition, providing economic benefits to the electric supplier as well as customer service benefits.

In its ruling on local resource adequacy, the CPUC found that dispatchable demand response resources as well as distributed generation resources should be allowed to count for local capacity requirements. This resource plan anticipates that SCP's demand response programs would partially offset its local capacity requirements beginning in 2015 or 2016.

PG&E offers several demand response programs to its customers, and SCP intends to recruit those customers that have shown a willingness to participate in utility programs into PG&E's programs or added-value similar programs offered by SCP.⁶ The goal for this resource plan is to meet 5 percent of the SCP Program's total capacity requirements through dispatchable demand response programs that qualify to meet local resource adequacy requirements. This goal translates into approximately 18 MW of peak demand enrolled in SCP's demand response programs. Achievement of this goal would displace approximately 20 percent of SCP's local capacity requirement within the "Other PG&E" Local Reliability Area.⁷

⁶ These utility programs include the Base Interruptible Program (E-BIP), the Demand Bidding Program (E-DBP), Critical Peak Pricing (E-CPP), Optional Binding Mandatory Curtailment Plan (E-OBMC), the Scheduled Load Reduction Program (E-SLRP), and the Capacity Bidding Program (E-CBP). SCP plans to develop its own demand response programs, which may be similar to those currently administered by the incumbent utility.

⁷ The California Public Utilities Commission has defined five local Resource Adequacy areas, including the "Other PG&E" local area (which represents an aggregation of various locations within the PG&E service territory), which have been designated as transmission-constrained. Load serving entities, including SCP, must procure a certain portion of their respective resource adequacy obligations from resources located within these transmission-constrained areas. However, demand response programs may be used to directly reduce local resource adequacy obligations; SCP plans to reduce such obligations through the implementation of effective demand response programs.

**Sonoma Clean Power
Demand Response Goals
(MW)
2014 to 2023**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Capacity Requirement (MW)	239	366	367	367	368	368	368	369	369	369
Demand Response Target	-	4	5	5	15	18	18	18	18	18
Percentage of Local Capacity Requirement	0%	4%	5%	5%	16%	20%	20%	20%	20%	20%

SCP intends to adopt a demand response program that enables it to request customer demand reductions during times when capacity is in short supply or spot market energy costs are exceptionally high. The level of customer payments should be related to the cost of local capacity that can be avoided as a result of the customer's willingness to curtail usage upon request.

Appropriate limits on customer curtailments, both in terms of the length of individual curtailments and the total number of curtailment hours that can be called will be considered SCP's demand response program design. It will also be important to establish a reasonable measurement protocol for customer performance of its curtailment obligations and deploy technology to automate customer notifications and responses. Performance measurement should include establishing a customer specific baseline of usage prior to the curtailment request from which demand reductions can be measured. SCP will likely utilize experienced third party contractors to design, implement and administer its demand response programs.

Distributed Generation

Consistent with SCP's environmental policies and the state's Energy Action Plan, clean distributed generation is a significant component of the resource plan. SCP will work with state agencies and PG&E to promote deployment of photovoltaic (PV) systems within SCP's jurisdiction, with the goal of maximizing use of the available incentives that are funded through current utility distribution rates and public benefits surcharges. Two programs already administered by SCP include NetGreen, an improved net energy metering program, and ProFIT, a local feed-in tariff with preferred rates.

NetGreen provides a 1 cent premium on production to net metered customers to make up for SCP's lower retail rates and also allows customers to carry-over all financial credits (regardless of kWh balances) to future bills. Every April, SCP customers are cashed-out at the retail generation rate, meaning that any customer with a net surplus in April will be paid for the kWh surplus at SCP prevailing generation rate—typically about four times higher than PG&E's wholesale cash-out rate.

ProFIT is SCP's standard offer feed-in tariff that sets a base rate of \$95 per MWh for local Sonoma County sited, qualifying renewable production on systems under 1 MW. Certain bonuses are available up to \$35 per MWh for five years, based on use of local workforce, size of system and other factors deemed preferred by the SCPA Board of Directors.

SCP also hopes the CPUC will consider allowing CCAs to self-procure Combined Heat and Power (CHP) resource requirements. If this regulatory action is taken, SCP believes the development of distributed, possibly renewably fueled, CHP in SCP's territory may be possible.

CHAPTER 7 – Financial Plan for Ongoing Program Operation

This Chapter examines the monthly cash flows expected over the next few years of the SCP Program. It also describes the requirements for working capital and long-term financing for the potential investment in renewable generation, consistent with the resource plan contained in Chapter 6.

Description of Cash Flow Analysis

SCP's cash flow analysis estimates the level of capital that will be required during the phase-in of the newly participating jurisdictions. The analysis focuses on the SCP Program's monthly costs and revenues and specifically accounts for the enrollment of the new SCP Customers described in Chapter 5.

Cost of CCA Program Operations

The first category of the cash flow analysis is the Cost of CCA Program Operations. To estimate the overall costs associated with CCA Program Operations, the following components were taken into consideration:

- Electricity Procurement;
- Ancillary Services Requirements;
- Exit Fees;
- Staffing and Professional Services;
- Data Management Costs;
- Administrative Overhead;
- Billing Costs;
- Scheduling Coordination;
- Grid Management and other CAISO Charges;
- CCA Bond and Security Deposit;
- Pre-Startup Cost Reimbursement; and
- Debt Service.

Revenues from CCA Program Operations

The cash flow analysis also provides estimates for revenues generated from CCA operations or from electricity sales to customers. In determining the level of revenues, the analysis assumes the customer enrollment schedule described herein, and assumes that SCP charges its current rates. SCP rate increases of 3% annually, the approximate long-run average increase in California electric utility

rates, would support the cash flows presented herein.⁸ More detail on SCP's rates can be found in Chapter 8.

Cash Flow Analysis Through Customer Enrollment

The results of the cash flow analysis provide an estimate of the level of capital required for SCP to complete enrollment of customers in the newly participating jurisdictions. This estimated level of capital is determined by examining the monthly cumulative net cash flows (revenues from CCA operations minus cost of CCA operations) based on assumptions for payment of costs or other cash requirements (e.g., deposits) by SCP, along with estimates for when customer payments will be received. This identifies, on a monthly basis, what level of cash flow is available in terms of a surplus or deficit.

The cash flow analysis identifies funding requirements in recognition of the potential lag between payments received and payments made during the phase-in period. Financing requirements for the startup period through the end of 2014, including working capital needs was approximately \$6.5 million. SCP estimates that less than \$2 million in additional borrowing is needed to support cash flow needs associated with the power purchases for expanding to the three new cities.

CCA Program Implementation Financials

A financial analysis of the next several years of SCP operation is shown in the following table. Assuming annual rate increases equal to 3%, the CCA program is projected to accrue a reserve account balance of approximately \$45 million through the end of 2018. Note, however, that actual figures will vary with adopted rate increases and costs of energy as well as numerous other business expenses, such as staffing, rent, insurance, etc.

⁸ According to the California Energy Commission Utility-wide Weighted Average Electric Utility Prices report, PG&E average electric rates have increased by an average of 4.6% per year since 2000 and 3.4% annually since 2005.

Sonoma Clean Power
Summary of CCA Program Phase-In⁹
(January 2013 through December 2018)

CATEGORY	2013	2014	2015	2016	2017	2018	TOTAL (2013-2018)
I. REVENUES FROM OPERATIONS (\$)							
ELECTRIC SALES REVENUE	-	48,074,319	141,323,798	160,134,906	163,648,818	167,241,146	680,422,987
LESS UNCOLLECTIBLE ACCOUNTS	-	(143,612)	(421,935)	(478,113)	(488,651)	(499,423)	(2,031,734)
TOTAL REVENUES	-	47,930,708	140,901,863	159,656,792	163,160,168	166,741,722	678,391,253
II. COST OF OPERATIONS (\$)							
(A) OPERATIONS AND ADMINISTRATIVE (O&A)							
STAFFING & PROFESSIONAL SERVICES	912,000	2,836,000	4,054,080	4,175,702	4,300,973	4,430,003	20,708,759
DATA MANAGEMENT SERVICES	-	494,852	2,881,939	3,310,756	3,312,498	3,314,249	13,314,294
IOU FEES (INCLUDING BILLING)	-	240,618	1,489,263	1,788,702	1,843,429	1,899,836	7,261,848
OTHER ADMINISTRATIVE & GENERAL	100,000	355,000	988,800	1,018,464	1,049,018	1,080,488	4,591,770
SUBTOTAL O&A	1,012,000	3,926,470	9,414,082	10,293,625	10,505,919	10,724,576	45,876,671
(B) COST OF ENERGY	-	35,497,396	118,414,724	133,670,456	144,188,959	148,935,791	580,707,325
(C) DEBT SERVICE	9,817	691,443	1,396,951	1,396,738	1,396,514	658,333	5,549,797
(D) DEPOSITS AND OTHER USES	115,000	25,000	300,000	300,000	300,000	300,000	1,340,000
TOTAL COST OF OPERATION	1,136,817	40,140,309	129,525,757	145,660,819	156,391,392	160,618,700	633,473,793
CCA PROGRAM SURPLUS/(DEFICIT)	(1,136,817)	7,790,399	11,376,105	13,995,973	6,768,776	6,123,023	44,917,459

The surpluses achieved during the phase-in period serve to build SCP's net worth and credit profile and to provide operating reserves for SCP in the event that operating costs (such as power purchase costs) exceed collected revenues for short periods of time. Actual financial performance will vary from these projections, and will significantly depend on actual energy costs and adopted rates.

SCP Financing

SCP anticipates a continuing need for access to financing over the next several years. Currently available and forecasted financing resources are described below.

CCA Program Start-up and Working Capital

As previously discussed, the anticipated start-up and working capital requirements for the SCP Program were about \$6 million. This financing included all pre-launch costs as well as the working capital to provide collateral and purchase energy. One loan from the Sonoma County Water Agency and two loans from the First Community Bank of Santa Rosa were secured for these purposes.

Power for Additional Cities

The purchase of energy, renewable energy, specified source low/zero carbon energy and resource adequacy for the load associated with customers in the three new cities is forecast to require about \$1.9 million in additional borrowing. This

⁹ Costs projected for staffing & professional services and other administrative & general relate to energy procurement, administration of energy efficiency and other local programs, generation development, customer service, marketing, accounting, finance, legal and regulatory activities necessary for program operation.

amount may be more or less, depending on the relative value associated with energy pre-payment, lower or higher levels of collateral, and current interest rates.

Transition to Ordinary Power Purchase Terms

Starting in January 2017, SCP will likely make a transition to standard 15 or 20 day payment terms for purchases energy. Current terms allow 45 days between delivery and payment, making it easier for SCP to develop operating reserves and collect customer payments before paying for delivered energy. This payment delay will likely be eliminated when SCP transitions to a more competitive power purchase process in January 2017, meaning that additional working capital may be needed to cover this roughly one-month period of energy costs.

The following table summarizes the potential financings in support of the SCP Program:

SCP Program Financing Summary

Proposed Financing	Estimated or Actual Total Amount	Estimated or ActualTerm	Estimated or Actual Issuance
1. Start-Up	\$6.5 million	4 years	Third Quarter 2013
2. Working Capital for new cities	\$2 million	4 years	Early 2015
3. Transition to Normal Payment Terms	\$6 million	3 years	Early 2017

CHAPTER 8 - Ratesetting and Program Terms and Conditions

Introduction

This Chapter describes the policies adopted by SCP in setting its rates for electric aggregation services. These include policies regarding rate design, rate objectives, and provision for due process in setting Program rates. Program rates are ultimately approved by the SCPA Board of Directors with input from the citizen Ratepayer Advisory Committee. The Board has authority to modify program policies from time to time at its discretion.

Rate Policies

SCP will establish rates sufficient to recover all costs related to operation of the SCP Program, including any reserves that may be required as a condition of financing and other discretionary reserve funds that may be approved by the Board. As a general policy, rates will be uniform for all similarly situated customers enrolled in the SCP Program throughout the service area of SCP.

The primary objectives of the ratesetting plan are to set rates that achieve the following:

- 100 percent local, 100 percent renewable energy supply option “EverGreen”;
- Rate competitive tariff option “CleanStart”;
- Rate stability;
- Equity among customers in each tariff;
- Customer understanding; and
- Revenue sufficiency.

Each of these objectives is described below.

Rate Competitiveness

SCP's goal is to offer competitive rates for the electric services SCP provides to participating customers. For participants in SCP's standard Tariff called “CleanStart,” the goal is for SCP's rates to be competitive with (meaning usually lower than) PG&E's rates. For participants in SCP's EverGreen 100 percent local and 100 percent renewable energy Tariff, the goal is to offer the lowest possible customer rates that allow for the purchase of such local and renewable energy.

Competitive rates are critical to attracting and retaining key customers. In order for SCP to be successful, the combination of price and value provided by SCP to its customers must be perceived as superior when compared to the bundled utility

service alternative. The value provided by SCP will include lower greenhouse gas emissions and a higher renewable energy content for its electric supply, enhanced energy efficiency and customer programs, community focus and investment, local control, and the benefits that derive from SCP's mission to serve its customers rather than the interests of utility shareholders.

As previously discussed, the SCP Program will significantly reduce GHG emissions and increase renewable energy supply to program customers, relative to the incumbent utility, by offering two distinct rate tariffs. The default tariff for SCP Program customers is the standard Tariff, called "CleanStart," which minimizes GHG emissions while maintaining generation rates that are comparable (and slightly lower than) PG&E's. The initial emissions under CleanStart are estimated to be 34% lower than PG&E's GHG emissions, however, SCP understands that there are large fluctuations in year-to-year GHG emissions relating to available low/zero carbon energy production and other factors. As a result, SCP is committed to providing default CleanStart service that is at least 20% lower in GHG emissions than PG&E's service.

SCP also offers its customers EverGreen, a voluntary 100% renewable energy Tariff, which supplies participating customers with 100 percent locally-produced 100 percent renewable energy at rates that reflect SCP's actual cost for procuring those energy supplies. Currently, the premium is 3.5 cents per kWh above the CleanStart rate, or about 14% above PG&E's rates.

Participating qualified low- or fixed-income households, such as those currently enrolled in the California Alternate Rates for Energy (CARE) program, are automatically enrolled in the standard CleanStart Tariff and will continue to receive related discounts on monthly electricity bills through PG&E.

Rate Stability

SCP offers stable rates by hedging its supply costs over multiple time horizons and by including renewable energy supplies that exhibit stable costs. Rate stability considerations may prevent SCP Program rates from directly tracking similar rates offered by the distribution utility, PG&E, and may result in differences from the general rate-related targets initially established for the SCP Program. SCP endeavors to maintain general rate parity with PG&E to ensure that SCP rates are not drastically different from the competitive alternative.

Equity among Customer Classes

SCP's rates are set based on an estimate of cost-of-service considerations by referencing the rates customers would otherwise pay to PG&E. Rate differences among customer classes reflect the rates charged by the local distribution utility as well as differences in the costs of providing service to each class. Rate benefits may also vary among customers within the major customer class categories,

depending upon the specific rate designs adopted by the Board. Over time, SCP may explore differentiating its rate structure from PG&E's to support program goals, such as increased use of renewable energy or conservation.

Customer Understanding

The goal of customer understanding involves rate designs that are relatively straightforward so that customers can readily understand how their bills are calculated. This not only minimizes customer confusion and dissatisfaction but will also result in fewer billing inquiries to SCP's customer service call center. Customer understanding also requires rate structures to reflect rational rate design principles (i.e., there should not be differences in rates that are not justified by costs or by other policies such as providing incentives for conservation).

Revenue Sufficiency

SCP's rates must collect sufficient revenue from participating customers to fully fund SCP's annual budget. Rates are set to collect the adopted budget based on a forecast of electric sales for the budget year. Rates are adjusted as necessary to maintain the ability to fully recover all of SCP's costs, subject to the disclosure and due process policies described later in this chapter.

Rate Design

SCP generally matches the rate structures from the utilities' standard rates to avoid the possibility that customers would see significantly different bill impacts as a result of changes in rate structures when beginning service in SCP's program. SCP may, however, also introduce new rate options for customers, such as rates designed to encourage economic expansion or business retention within SCP's service area.

SCP's current average total rates are between 5% and 8% lower than PG&E's total average rates after all electric charges are considered. SCP customers' total electric charges are subject to change throughout the year due to the fact that SCP customers continue to pay all non-generation electric charges to PG&E, and these charges are subject to frequent adjustment. SCP customers also pay a Power Charge Indifference Adjustment ("PCIA") to ensure that PG&E's remaining customers do not have any increased costs as a result of SCP. All cost comparisons SCP makes with PG&E are inclusive of all electric charges including transmission, distribution, public purpose, nuclear decommissioning, etc., meaning that SCP only compares the bottom line cost information rather than the generation component by itself. The PCIA is identified in each of PG&E's rate schedules and is expected to decline over time.

Custom Pricing Options

SCP will work to develop specially tailored rate and electric service products that meet the specific load characteristics or power market risk profiles of larger

commercial and industrial customers. This will allow such customers to have access to a wider range of products than is currently available under the incumbent utility and potentially reduce the cost of power for these customers. SCP may provide large energy users with custom pricing options to help these customers gain greater control over their energy costs. Some examples of potential custom pricing options are rates that are based on an observable market index (e.g., CAISO prices) or fixed priced contracts of various terms.

Net Energy Metering

Customers with on-site generation eligible for net metering from PG&E may participate in NetGreen, offered by SCP. NetGreen allows for customers with certain qualified solar or wind distributed generation to be billed on the basis of their net energy consumption. The PG&E net metering tariff (E-NEM) requires the CCA to offer a net energy metering tariff in order for the customer to continue to be eligible for service on Schedule E-NEM. SCP's NetGreen tariff applies to the generation component of the bill, and the PG&E net energy metering tariff only applies to the utility's portion of the bill. SCP pays customers for excess power produced from net energy metered generation systems in accordance with the rate designs adopted by the SCPA Board.

SCP may also implement tariff and financing programs to provide incentives to residents and businesses to maximize the size of photovoltaic and other renewable energy systems in order to increase the amount of locally-produced renewable power. Current tariffs create an incentive for residents and businesses considering new PV or renewable systems to limit the size of those systems so that annual generation matches annual on-site load. By implementing tariffs and programs to provide an incentive to maximize the output of such systems, SCP can help to increase the amount of local PV and renewable generation with minimal impact on the environment or existing infrastructure.

Retail Solar Cooperative

SCP may offer a Retail Solar Cooperative program to further promote local renewable energy projects. The retail solar cooperative concept may provide an opportunity for SCP to promote additional, locally developed photovoltaic solar projects that would be voluntarily supported by interested customers. Such programs typically feature one or more PV arrays, or "solar farms", of up to one megawatt each with electric output from these facilities serving as the basis for various retail pricing options. Retail solar cooperatives play a key role in addressing fundamental issues related to residential and commercial scale PV project development, which may prevent interested customers from completing such projects. Some of the issues addressed by retail solar cooperatives include:

- Non-optimal siting characteristics
 - Predominant shade over/around the dwelling or business

- Lack of available roof space
 - Orientation of dwelling (related to solar exposure)
- Ownership status (which likely prevent renters from pursuing traditional solar installations)
- Multi-family living arrangements
- Planned relocation
- Aversion to up-front capital costs

The availability of retail solar cooperative programs addresses and/or alleviates these issues by creating participatory options that would not otherwise be available to customers affected by the aforementioned issues.

In the case of the Sacramento Municipal Utility District's SolarSharesSM program, participating customers incur fixed monthly charges in exchange for "ownership" shares in a locally situated solar farm. The monthly cost is dependent upon the number of shares "owned" by the customer – shares can be purchased in various increments at a cost approximating \$33 per kilowatt/month; participation can be scaled at the customer's discretion, depending on typical electric use and rate-related objectives. When energy is produced by the underlying solar farm, it is proportionately allocated to participating customers based on the number of shares that have been purchased. This energy becomes the basis for a virtual net energy metering arrangement – quantities of energy from the solar project that have been allocated to each customer are netted against monthly use, thereby reducing energy consumption and related monthly charges for electricity. Over time, the monthly fixed charge remains unchanged but energy production will vary on a seasonal basis, as is the case with any PV generator. Through this program, customers receive the benefits of PV project ownership without the need to install such projects on their homes or businesses.

Tucson Electric has implemented a similar program, "Bright Tucson", which applies a different pricing mechanism. In this case, Tucson Electric sells participating customers "blocks", or fixed monthly quantities, of energy produced by a locally based solar farm at fixed price premiums approximating two cents per kilowatt-hour. Under this program structure, customers are able to offset a portion (or the entirety) of conventional, non-renewable energy purchases with local PV production without the variability of a virtual net energy metering arrangement. An alternative to this approach would be for SCP to consider selling similar energy blocks at a fixed energy rate (which would include the price for such energy as well as any premium related thereto). Such an alternative could be used to provide cost certainty to participating customers, which may be viewed as a valuable attribute when completing planning and budgeting efforts.

Specific elements, including timing, projects and pricing, of a similar program that may be implemented by SCP have yet to be discussed. As SCP advances through

program implementation and gauges customer interest in such programs, it will be able to determine the most suitable terms and conditions for its customers.

Disclosure and Due Process in Setting Rates and Allocating Costs among Participants

Program rates are established in a public process originating with staff assessment of the revenue requirement, presentation of a combined budget and rate proposal to the Ratepayer Advisory Committee, followed by presentation of the draft budget and rates to the Board of Directors. Staff then develop a proposed final budget and set of customer rates based on public feedback, first to the Ratepayer Advisory Committee for recommendation and then for adoption to the SCPA Board of Directors.

Within forty-five days after submitting an application to increase any rate, SCP furnishes notice of its application to its customers affected by the proposed increase, either by mailing such notice postage prepaid to such customers or by including such notice with the regular bill for charges transmitted to such customers or using some other SCPA Board approved noticing method of common acceptance. The notice will provide a summary of the proposed rate increase and include a link to the SCP website where information will be posted regarding the amount of the proposed increase (expressed in both dollar and percentage terms), a brief statement of the reasons the increase is required or sought, and the mailing address of SCP to which any customer inquiries relative to the proposed increase, including a request by the customer to receive notice of the date, time, and place of any hearing on the application, may be directed.

CHAPTER 9 – Customer Rights and Responsibilities

This chapter discusses customer rights, including the right to opt out of the SCP Program and the right to privacy of customer usage information, as well as obligations customers undertake upon agreement to enroll in the CCA Program. All customers that do not opt out within 30 days of the fourth enrollment notice will have agreed to become full status program participants and must adhere to the obligations set forth below, as may be modified and expanded by the SCPA Board from time to time. The Board retains authority to modify program policies from time to time at its discretion.

Customer Notices

At the initiation of any mass customer enrollment process, a total of four notices is provided to customers describing the Program, informing them of their opt-out rights to remain with utility bundled generation service, and containing a simple mechanism for exercising their opt-out rights. The first notice is mailed to customers approximately sixty days prior to the date of automatic enrollment. A second notice is sent approximately thirty days later. SCP uses its own mailing service for requisite enrollment notices rather than including the notices in PG&E's monthly bills. This is intended to increase the likelihood that customers will read the enrollment notices, which may otherwise be ignored if included as a bill insert. Customers may opt out by notifying SCP using SCP's designated telephone-based or internet opt-out processing service. Should customers choose to initiate an opt-out request by contacting PG&E, they should be transferred to SCP's call center to complete the opt-out request. Consistent with CPUC regulations, notices returned as undelivered mail would be treated as a failure to opt out, and the customer is automatically enrolled.

Following automatic enrollment, a third enrollment notice is mailed to customers, and a fourth and final enrollment notice will be mailed 30 days after automatic enrollment. Opt-out requests made on or before the sixtieth day following start of SCP service will result in customer transfer to bundled utility service with no penalty. Such customers will be obligated to pay charges associated with the electric services provided by SCP during the time the customer took service from the SCP Program, but will otherwise not be subject to any penalty or transfer fee from SCP.

Customers who establish new electric service accounts within the Program's existing service area will be automatically enrolled in the SCP Program and will have sixty days from the start of SCP service to opt out if they so desire. Such customers will be provided with two enrollment notices within this sixty-day post

enrollment period. Such customers will also receive a notice detailing SCP's privacy policy regarding customer usage information. SCP's Board of Directors has the authority to implement entry fees for customers that initially opt out of the Program, but later decide to participate, however, the SCPA Board does not currently impose any such fees.

Termination Fee

Customers that are automatically enrolled in the SCP Program can elect to transfer back to the incumbent utility without penalty within the first two months of service. After this free opt-out period, customers will be allowed to terminate their participation subject to payment of a Termination Fee. The Termination Fee applies to all SCP customers that elect to return to bundled utility service or elect to take "direct access" service from an energy services provider. Customers that relocate within the SCP service territory have their CCA service continued at the new address. If a customer relocating to an address within the SCP service territory elected to cancel CCA service, the Termination Fee will apply. Program customers that move out of the SCP service territory would not be subject to the Termination Fee.

PG&E will collect the Termination Fee from returning customers as part of the final bill to the customer from the CCA Program.

The Termination Fee varies by customer class as set forth in the table below, subject to adjustment by the SCPA Board as described below.

SCP Fee for Service Termination

Customer Class	Fee
Residential	\$5
Non-Residential	\$25

The Termination Fee is clearly disclosed in the four enrollment notices sent to customers during the sixty-day period before automatic enrollment and following commencement of service. The fee could be changed prospectively by SCP's Board of Directors, subject to SCP's customer noticing requirements; provided, however, that in no event will any Termination Fee in excess of the amounts set forth above be imposed on any customer leaving before January 1, 2016, except for terminating customers participating in a voluntary tariff. As previously noted, customers that opt out during the statutorily mandated notification period will not pay the Termination Fee that may be imposed by SCP.

Customers electing to terminate service after the initial notification period (that provided them with at least four enrollment notices) are transferred to PG&E on

their next regularly scheduled meter read date if the termination notice is received a minimum of fifteen days prior to that date. Such customers are also liable for any reentry fees imposed by PG&E and are required to remain on bundled utility service for a period of one year, as described in PG&E's CCA tariffs.

Customer Confidentiality

Consistent with CPUC regulations, SCP has established policies covering confidentiality of customer data. SCP maintains the confidentiality of individual customers' names, service addresses, billing addresses, telephone numbers, account numbers, and electricity consumption, except where reasonably necessary to conduct SCP's business or to provide services to customers, including but not limited to where such disclosure is necessary to (a) comply with the law or regulations; (b) enable SCP to provide service to its customers; (c) collect unpaid bills; (d) obtain and provide credit reporting information; or (e) resolve customer disputes or inquiries. SCP will not disclose customer information for telemarketing, e-mail, or direct mail solicitation. Aggregate data may be released at SCP's discretion. SCP handles customer energy usage information in a manner that is fully compliant with the California Public Utility Commission's required privacy protections for customers of Community Choice Aggregators, as defined in Decision 12-08-045.

Responsibility for Payment

Customers are obligated to pay SCP charges for service provided through the date of transfer including any applicable Termination Fees. Pursuant to current CPUC regulations, SCP is unable to direct that electricity service be shut off for failure to pay SCP's bill. However, PG&E has the right to shut off electricity to customers for failure to pay electricity bills, and PG&E Electric Rule 23 mandates that partial payments are to be allocated pro rata between PG&E and the CCA. In most circumstances, customers are returned to utility service for failure to pay bills in full. PG&E attempts to collect any outstanding balance from customers in accordance with Rule 23 and the related CCA Service Agreement. The proposed process is for two late payment notices to be provided to the customer within 30 days of the original bill due date. If payment is not received within 45 days from the original due date, service will be transferred to the utility on the next regular meter read date, unless alternative payment arrangements have been made. Consistent with the CCA tariffs, Rule 23, service cannot be discontinued to a residential customer for a disputed amount if that customer has filed a complaint with the CPUC, and that customer has paid the disputed amount into an escrow account.

CHAPTER 10 - Procurement Process

Introduction

This Chapter describes SCP's early procurement policies and the key third party service agreements by which SCP obtained operational services for the service launch of the SCP Program.

Procurement Methods

SCP enters into agreements for a variety of services needed to support program development, operation and management. SCP generally utilizes Competitive Procurement methods, particularly for energy and resource adequacy procurement, but may also utilize Bilateral Procurement or Sole Source Procurement, depending on the nature of the services to be procured. Competitive Procurement generally entails an auction, request for proposals or similar process. Bilateral Procurement is the purchase of goods or services without a direct competitive process when multiple sources of supply are available and easily reviewed. Sole Source Procurement is generally to be performed only when the circumstances render no other option.

The Chief Executive Officer reports to the SCPA Board a summary of the actions taken with respect to the delegated procurement authority at the next SCPA Board meeting.

Authority for terminating agreements generally mirrors the authority for entering into such agreements.

Key Contracts

Electric Supply Contract

SCP initiated service using a multi-year electricity supply contract with a qualified provider, and has subsequently entered into numerous contracts with additional providers to supply energy, renewables, specified source low/zero carbon energy and resource adequacy products.

Data Management Contract

A data manager provides the retail customer services of billing and other customer account services (electronic data interchange or EDI with PG&E, billing, remittance processing, and account management). The data management contract is separate from the electric supply contract, and includes the following services:

- Data exchange with PG&E;
- Technical testing;
- Customer information system;
- Customer call center;
- Billing administration/retail settlements;
- Settlement quality meter data reporting; and
- Reporting and audits of utility billing.

Utilizing a third party for account services eliminates a significant expense associated with implementing a customer information system. Such systems can impose significant information technology costs and take significant time to deploy. A longer term contract is appropriate for this service because of the time and expense that would be required to migrate data to a new system. Separation of the data management contract from the energy supply contract gives SCP greater flexibility to change energy suppliers, if desired, without facing an expensive data migration issue.

SCP executed a contract for data management services in late-2013.

Electric Supply Procurement Process

To launch initial service, SCP issued a request for proposals for shaped energy, renewable energy and resource adequacy capacity as part of a competitive solicitation process. SCP initially selected four energy suppliers from a pool of 11 respondents, for the short list of firms who may have provided electricity for the Program under an initial energy services contract. The short list of potential energy suppliers selected as a result of this process reflected a highly qualified pool of suppliers for further negotiations, from which a single provider, Constellation, was chosen on the basis of price to provide SCP's initial two years of system power and a majority of the program's hydroelectric power. Since that purchase, SCP has transacted with Calpine, Constellation, Shell and Recurrent for additional energy, renewables and resource adequacy. SCP is also a member of the Western States Power Pool and has begun exploring additional use of auctions and other mechanisms to ensure competitive bidding on energy resources.

CHAPTER 11 – Contingency Plan for Program Termination

Introduction

This Chapter describes the process to be followed in the case of SCP Program termination. The termination plan follows the requirements set forth in PG&E's tariff Rule 23 governing service to CCAs. The Board retains authority to modify program policies from time to time at its discretion.

Termination by SCP

SCP offers CCA services for the long term with no planned Program termination date. In the unanticipated event that the majority of the participating jurisdictions decide to terminate the Program, each governing body would be required to adopt a termination ordinance or resolution and provide adequate notice to the SCPA Board consistent with the terms set forth in the JPA Agreement. Following such notice, the SCPA Board would vote on Program termination subject to voting provisions as described in the JPA Agreement. In the event that the Board affirmatively votes to proceed with JPA termination, the Board would disband under the provisions identified in its JPA Agreement.

After any applicable restrictions on such termination have been satisfied, notice would be provided to customers six months in advance that they will be transferred back to PG&E. A second notice would be provided during the final sixty-days in advance of the transfer. The notice would describe the applicable distribution utility bundled service requirements for returning customers then in effect, such as any transitional or bundled portfolio service rules.

At least one year of advance notice would be provided to PG&E and the CPUC before transferring customers, and SCP would coordinate the customer transfer process to minimize impacts on customers and ensure no disruption in service. Once the customer notice period is complete, customers would be transferred en masse on the date of their regularly scheduled meter read date.

SCP has posted a CPUC bond to pay for potential transaction fees charged to the Program for switching customers back to distribution utility service. Reserves would be maintained against the fees imposed for processing customer transfers

Termination by Members

The JPA Agreement defines the terms and conditions under which Members may terminate their participation in the program.

CHAPTER 12 – Appendices

Appendix A: SCP Member and Participant Ordinances

Appendix B: Sonoma Clean Power Joint Powers Agreement

Appendix A: SCP Member and Participant Ordinances

CITY OF CLOVERDALE

CITY COUNCIL

RESOLUTION NO. 053-2014

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLOVERDALE
REQUESTING THAT THE SONOMA CLEAN POWER AUTHORITY ACT AS COMMUNITY
CHOICE AGGREGATOR ON BEHALF OF THE CITY AND IMPLEMENT THE SONOMA CLEAN POWER
COMMUNITY CHOICE AGGREGATION PROGRAM WITHIN THE CITY OF CLOVERDALE**

WHEREAS, the City of Cloverdale has investigated options to provide electric services to customers within the City, with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of clean, local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs; and

WHEREAS, the Sonoma County Water Agency prepared a Feasibility Study and a draft Implementation Plan for a community choice aggregation ("CCA") program in Sonoma County under the provisions of Public Utilities Code §366.2; and

WHEREAS, the Feasibility Study and Implementation Plan show that implementing a community choice aggregation program would provide multiple benefits, including:

- Providing customers a choice of power providers;
- Increasing local control and involvement in and collaboration on energy rates and other energy-related matters;
- Providing more stable long-term electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within Sonoma County;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency; and
- Improving the local economy resulting from the implementation of local renewable energy and energy conservation and efficiency projects; and

WHEREAS, on December 4, 2012, the County of Sonoma and the Sonoma County Water Agency approved a Joint Powers Agreement creating the Sonoma Clean Power Authority ("the Authority"), and under the Joint Powers Agreement, cities and towns within Sonoma County may participate in the Sonoma Clean Power CCA program by adopting the resolution and ordinance required by Public Utilities Code §366.2; and

WHEREAS, the Town of Windsor and the Cities of Cotati, Sonoma, Sebastopol, and Santa Rosa have also adopted the ordinance and resolution required by Public Utilities Code §366.2, and are now participants in the Sonoma Clean Power CCA program; and

WHEREAS, cities and towns choosing to participate in the CCA program will have membership on the Board of Directors of the Sonoma Clean Power Authority as provided in the joint powers agreement; and

WHEREAS, the Authority has entered into agreements with electric power suppliers and other service providers, and based upon those agreements the Authority is able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility (PG&E); and

WHEREAS, the California Public Utilities Commission approved the Implementation Plan for the CCA program, and on May 1, 2014, the Authority began providing service to customers within the unincorporated area of Sonoma County and within the jurisdiction of those cities who have chosen to participate in the CCA program; and

WHEREAS, under Public Utilities Code §366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility, so that City residents and businesses who wish to continue to receive service from the incumbent utility will be able to do so.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CLOVERDALE FINDS AND RESOLVES AS FOLLOWS:

1. The foregoing recitals are true and correct.
2. The City of Cloverdale hereby requests that the Sonoma Clean Power Authority act as Community Choice Aggregator on its behalf within the jurisdiction of the City, and authorizes the Authority to implement and carry out within the City the community choice aggregation program as generally described in the Implementation Plan.
3. The City hereby designates and appoints Vice Mayor Robert Cox to serve as the representative of the City on the Board of Directors of the Sonoma Clean Power Authority, and Councilmember Mike Maacks as the alternate.
4. The Council finds and determines that it can be seen with certainty that there is no possibility that the implementation of the Sonoma Clean Power CCA program within the jurisdiction of the City of Cloverdale will cause any significant adverse effects on the environment, and thus that such implementation is exempt from the California Environmental Quality Act. The City Manager is authorized and directed to file a Notice of Exemption pursuant to the CEQA guidelines.
5. This Resolution shall be effective immediately.

It is hereby certified that the foregoing Resolution No. 053-2014 was duly introduced and duly adopted by the City Council of the City of Cloverdale at its regular meeting held on the 23rd day of July, 2014 by the following roll call vote: (Ayes – 5; Noes - 0)

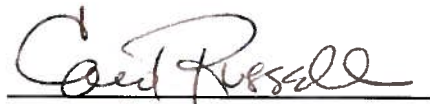
AYES in favor of: Councilmember Palla, Vice Mayor Cox, Councilmember Brigham, Councilmember Maacks, Mayor Russell

NOES: 0

ABSENT: 0

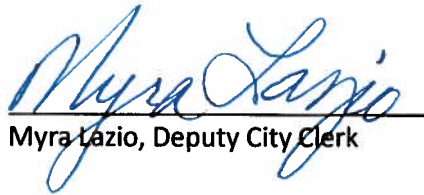
ABSTAIN: 0

APPROVED:



Carol Russell, Mayor

ATTESTED:



Myra Lazio, Deputy City Clerk

2301713.1



**City Council/Successor Agency
Agenda Item Summary**

Agenda Item: 4
Meeting Date: July 23, 2014

Agenda Section	Staff Contact
Ordinances	Paul Cayler, City Manager
Agenda Item Title	
Action on a Resolution Requesting that the Sonoma Clean Power Authority Act as Community Choice Aggregator on Behalf of the City of Cloverdale and Implement the Sonoma Clean Power Community Choice Aggregation Program within the City of Cloverdale, and the Introduction and First Reading of an Ordinance Authorizing the Implementation of a Community Choice Aggregation Program within the Jurisdiction of the City of Cloverdale by Participating as a Group with the County of Sonoma, the Sonoma County Water Agency, and other cities in Sonoma County in the Community Choice Aggregation program of the Sonoma Clean Power Authority	
Summary	
<p>The purpose of this agenda item is for the Cloverdale City Council to consider adopting a resolution and ordinance to join Sonoma Clean Power. In May 2013, the Council considered joining the community choice aggregation effort with Sonoma County and other cities in Sonoma County. At that time, the City Council decided to postpone further work on the matter, and revisit the matter after one (1) year. In the time since May 2013, Sonoma Clean Power has successfully initiated its program, and power aggregation in Sonoma County is underway. On May 14, 2014, Mr. Geof Syphers, CEO of Sonoma Clean Power, made a presentation to the Cloverdale City Council regarding Sonoma Clean Power's invitation for Cloverdale to join. Sonoma Clean Power is inviting the City of Cloverdale to be added to Sonoma Clean Power territory with the expenses associated waived. Sonoma Clean Power has a current power mix that is thirty-one percent (31%) lower greenhouse gas emissions for costs that are four percent (4%) to five percent (5%) less than PG&E's power, when all charges are included. The deadline for Cloverdale to decide to participate and adopt the necessary resolution and ordinance is January 31, 2015. In response to Mr. Syphers presentation, the City Council's general direction was for City staff to prepare the necessary resolution and ordinance for Cloverdale to join Sonoma Clean Power, and return said documents as soon as possible for the Council's formal consideration.</p>	
Options	
1) Adopt the proposed resolution, and introduce and conduct the first reading of the proposed ordinance; or 2) Reject the proposed resolution and ordinance.	
Budget/Financial Impact	
Based on the City's approximate \$450,000 annual electric charges to PG&E, if Sonoma Clean Power reduces the City's costs by four percent (4%), then this will equal a savings of \$18,000 per year.	
Subcommittee Recommendation	
None.	
Recommended Council Action	
<p>The City Manager recommends that the City Council take the following actions: 1) Adopt the attached Resolution requesting that the Sonoma Clean Power Authority Act as Community Choice Aggregator on behalf of the City of Cloverdale and Implement the Sonoma Clean Power Community Choice Aggregation Program within the City of Cloverdale; and 2) Conduct a public hearing, and based on public comment, then introduce the attached Ordinance for first reading which authorizes the implementation of a Community Choice Aggregation Program within the jurisdiction of the City of Cloverdale by participating as a group with the County of Sonoma, the Sonoma County Water Agency, and other cities in Sonoma County in the Community Choice.</p>	

Aggregation program of the Sonoma Clean Power Authority

Attachments:

- 1) Resolution.
 - 2) Ordinance.
 - 3) Frequently Asked Questions Handout.
 - 4) Second Amended and Restated Joint Powers Agreement Relating to and Creating the Sonoma Clean Power Authority.
 - 5) Postcards.
 - 6) Public Hearing Notice.
-

cc:

**CITY OF CLOVERDALE
CITY COUNCIL
ORDINANCE NO. 693-2014**

**AN ORDINANCE OF THE CITY OF CLOVERDALE AUTHORIZING THE IMPLEMENTATION
OF A COMMUNITY CHOICE AGGREGATION PROGRAM - PARTICIPATING AS A GROUP
WITH THE COUNTY OF SONOMA, THE SONOMA COUNTY WATER AGENCY, AND OTHER
CITIES IN SONOMA COUNTY IN THE COMMUNITY CHOICE AGGREGATION
PROGRAM OF THE SONOMA CLEAN POWER AUTHORITY**

THE CITY COUNCIL OF THE CITY OF CLOVERDALE HEREBY ORDAINS AS FOLLOWS:

SECTION I. The City of Cloverdale has investigated options to provide electric services to customers within the City, with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of clean, local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs.

SECTION II. The Sonoma County Water Agency prepared a Feasibility Study and a draft Implementation Plan for a community choice aggregation ("CCA") program in Sonoma County under the provisions of Public Utilities Code §366.2. The Feasibility Study and Implementation Plan show that implementing a community choice aggregation program would provide multiple benefits, including:

- Providing customers a choice of power providers;
- Increasing local control and involvement in and collaboration on energy rates and other energy-related matters;
- Providing more stable long-term electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within Sonoma County;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency; and
- Improving the local economy resulting from the implementation of local renewable energy and energy conservation and efficiency projects.

SECTION III. On December 4, 2012, the County of Sonoma and the Sonoma County Water Agency approved a Joint Powers Agreement creating the Sonoma Clean Power Authority ("the Authority"). Under the Joint Powers Agreement, cities and towns within Sonoma County may

participate in the Sonoma Clean Power CCA program by adopting the resolution and ordinance required by Public Utilities Code §366.2. Cities and towns choosing to participate in the CCA program will have membership on the Board of Directors of the Sonoma Clean Power Authority as provided in the joint powers agreement. The Town of Windsor and the Cities of Cotati, Sonoma, Sebastopol, and Santa Rosa have also adopted the ordinance and resolution required by Public Utilities Code §366.2, and are now participants in the Sonoma Clean Power CCA program.

SECTION IV. The Authority has entered into agreements with electric power suppliers and other service providers, and based upon those agreements the Authority is able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility (PG&E). The California Public Utilities Commission approved the Implementation Plan for the CCA program, and on May 1, 2014, the Authority began providing service to customers within the unincorporated area of Sonoma County and within the jurisdiction of those cities who have chosen to participate in the CCA program.

SECTION V. Under Public Utilities Code §366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to continue to receive service from the incumbent utility will be able to do so.

SECTION VI. Based upon the forgoing, and in order to provide business and residents within the City of Cloverdale with a choice of power providers and with the benefits described above, the Council hereby affirmatively elects to implement a community choice aggregation program within the jurisdiction of the City of Cloverdale by participating as a group with the County of Sonoma, the Sonoma County Water Agency, and other cities in Sonoma County in the Community Choice Aggregation program of the Sonoma Clean Power Authority, as generally described in the Implementation Plan.

SECTION VII. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The City Council hereby declares that it would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION VIII. This Ordinance shall be and the same is hereby declared to be in full force and effect from and after thirty (30) days after the date of its passage and shall be published once before the expiration of fifteen (15) days after said passage, with the names of the Council Members voting for or against the same, in a newspaper of general circulation published in the County of Sonoma, State of California.

I hereby certify that the foregoing is a true and complete copy of an ordinance duly and regularly adopted by the City at a regular meeting thereof held on July 23, 2014, by the following vote:

PASSED, APPROVED AND ADOPTED this 27th day of August 2014 by the following voice vote:
(Aye – 5; Noes – 0)

AYES: 5 – Councilmember Palla, Vice Mayor Cox, Councilmember Brigham, Councilmember Maacks, Mayor Russell

NOES: 0 - None

ABSTAIN: 0 - None

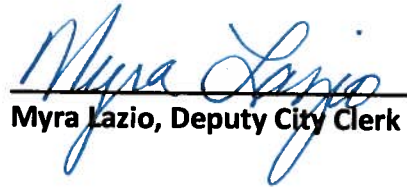
ABSENT: 0 - None

APPROVED:

A handwritten signature in black ink, appearing to read "Carol Russell", written over a horizontal line.

Carol Russell, Mayor

ATTEST:

A handwritten signature in blue ink, appearing to read "Myra Lazio", written over a horizontal line.

Myra Lazio, Deputy City Clerk

RESOLUTION NO. 2014-185

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROHNERT PARK, CALIFORNIA, REQUESTING THAT THE SONOMA CLEAN POWER AUTHORITY ACT AS A COMMUNITY CHOICE AGGREGATOR ON BEHALF OF THE CITY OF ROHNERT PARK AND IMPLEMENT THE SONOMA CLEAN POWER COMMUNITY CHOICE AGGREGATION PROGRAM WITHIN THE CITY OF ROHNERT PARK

WHEREAS, the City of Rohnert Park has investigated options to provide electric services to customers within the City, with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of clean, local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs; and

WHEREAS, the Sonoma County Water Agency prepared a Feasibility Study and a draft Implementation Plan for a community choice aggregation (“CCA”) program in Sonoma County under the provisions of Public Utilities Code section 366.2. The Feasibility Study and Implementation Plan show that implementing a community choice aggregation program would provide multiple benefits, including:

- Providing customers a choice of power providers;
- Increasing local control and involvement in and collaboration on energy rates and other energy-related matters;
- Providing more stable long-term electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within Sonoma County;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency;
- Improving the local economy resulting from the implementation of local renewable energy and energy conservation and efficiency projects; and

WHEREAS, on December 4, 2012, the County of Sonoma and the Sonoma County Water Agency approved a Joint Powers Agreement creating the Sonoma Clean Power Authority (“Authority”). Under the Joint Powers Agreement, cities and towns within Sonoma County may participate in the Sonoma Clean Power CCA program by adopting the resolution and ordinance required by Public Utilities Code section 366.2. Cities and towns choosing to participate in the CCA program will have membership on the Board of Directors of the Authority as provided in the Joint Powers Agreement. The Town of Windsor and the Cities of Cotati, Sonoma, Sebastopol, Cloverdale, and Santa Rosa have also adopted the ordinance and resolution required by Public Utilities Code section 366.2, and are now participants in the Sonoma Clean Power CCA program; and

WHEREAS, the Authority has entered into agreements with electric power suppliers and other service providers, and based upon those agreements the Authority is able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility (PG&E).

The California Public Utilities Commission approved the Implementation Plan for the Sonoma County CCA program ("Implementation Plan"), and on May 1, 2014, the Authority began providing service to customers within the unincorporated area of Sonoma County and within the jurisdiction of those cities who have chosen to participate in the CCA program; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to continue to receive service from the incumbent utility will be able to do so; and

WHEREAS, providing accurate information on energy choices is an important component of an informed choice whether to participate in a CCA program or continue to receive service from the incumbent utility, and thus information provided by the Authority should be transparent, accurate, and suitably formal so as to allow informed decision making; and

WHEREAS, the population of the City of Rohnert Park is 40,971 according to the 2010 census and its consumption of power extremely small in comparison to the amount of energy consumed by PG&E's customer base (0.25%), the consumption of power by Sonoma Clean Power is likewise a very small fraction of the amount of energy consumed by PG&E's customer base (2.4%), and the power consumed by Sonoma Clean Power customers would have significantly lower greenhouse gas emissions than the power consumed by PG&E's customers; and

WHEREAS, on November 25, 2014 and December 9, 2014, the City Council held public hearings at which time interested persons had an opportunity to testify either in support or opposition to implementation of the Sonoma Clean Power CCA program in the City of Rohnert Park.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Rohnert Park makes the following determinations with respect to the implementation of the Sonoma Clean Power CCA program within the jurisdiction of the City of Rohnert Park:

Section 1. The foregoing recitals are true and correct and material to this Resolution.

Section 2. Compliance with California Environmental Quality Act.

The City Council finds and determines that it can be seen with certainty that there is no possibility that the designation of the Authority to act as Community Choice Aggregator within the jurisdiction of the City of Rohnert Park will cause any significant adverse effects on the environment, and thus that such designation is exempt from the California Environmental Quality Act. The City Manager is authorized and directed to file a Notice of Exemption pursuant to the CEQA guidelines.

Section 3. Request that Sonoma Clean Power Authority Act as Community Choice Aggregator.

The City of Rohnert Park hereby requests that the Authority act as Community Choice Aggregator on its behalf within the jurisdiction of the City of Rohnert Park, and authorizes the Authority to implement and carry out within the City of Rohnert Park the community choice aggregation program as generally described in the Implementation Plan.

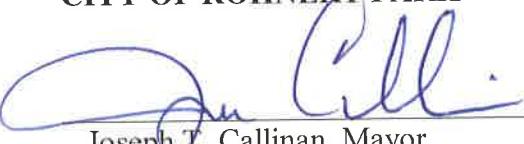
Section 4. Direction to Representative Regarding Transparency in Communications.

The City Council hereby directs the City's representative and alternative representative on the Authority's Board of Directors to encourage the Authority to be as transparent and accurate as possible in its public communications, including but not limited to the fair representation of the source of energy provided to customers and providing notices that appear as official communications rather than advertisements.


DULY AND REGULARLY ADOPTED on this 9th day of December, 2014.



CITY OF ROHNERT PARK


Joseph T. Callinan, Mayor

ATTEST:


JoAnne M. Buerger, City Clerk

BELFORTE: AYE MACKENZIE: AYE STAFFORD: NO AHANOTU: AYE CALLINAN: NO
AYES: (3) NOES: (2) ABSENT: (0) ABSTAIN: (0)

ORDINANCE NO. 883

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ROHNERT PARK, CALIFORNIA AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS, the City of Rohnert Park has investigated options to provide electric services to customers within the City, with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of clean, local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs; and

WHEREAS, the Sonoma County Water Agency prepared a Feasibility Study and a draft Implementation Plan for a community choice aggregation (“CCA”) program in Sonoma County under the provisions of Public Utilities Code section 366.2. The Feasibility Study and Implementation Plan show that implementing a community choice aggregation program would provide multiple benefits, including:

- Providing customers a choice of power providers;
- Increasing local control and involvement in and collaboration on energy rates and other energy-related matters;
- Providing more stable long-term electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within Sonoma County;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency;
- Improving the local economy resulting from the implementation of local renewable energy and energy conservation and efficiency projects; and

WHEREAS, on December 4, 2012, the County of Sonoma and the Sonoma County Water Agency approved a Joint Powers Agreement creating the Sonoma Clean Power Authority (“Authority”). Under the Joint Powers Agreement, cities and towns within Sonoma County may participate in the Sonoma Clean Power CCA program by adopting the resolution and ordinance required by Public Utilities Code section 366.2. Cities and towns choosing to participate in the CCA program will have membership on the Board of Directors of the Authority as provided in the Joint Powers Agreement. The Town of Windsor and the Cities of Cotati, Sonoma, Sebastopol, Cloverdale, and Santa Rosa have also adopted the ordinance and resolution required by Public Utilities Code section 366.2, and are now participants in the Sonoma Clean Power CCA program; and

WHEREAS, the Authority has entered into agreements with electric power suppliers and other service providers, and based upon those agreements the Authority is able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility (“PG&E”). The California Public Utilities Commission approved the Implementation Plan for the Sonoma County CCA program (“Implementation Plan”), and on May 1, 2014, the Authority

began providing service to customers within the unincorporated area of Sonoma County and within the jurisdiction of those cities who have chosen to participate in the CCA program; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to continue to receive service from the incumbent utility will be able to do so; and

WHEREAS, the population of the City of Rohnert Park is 40,971 according to the 2010 census and its consumption of power extremely small in comparison to the amount of energy consumed by PG&E's customer base (0.25%), the consumption of power by Sonoma Clean Power is likewise a small fraction of the amount of energy consumed by PG&E's customer base (2.4%), and the power consumed by Sonoma Clean Power customers would have significantly lower greenhouse gas emissions than the power consumed by PG&E's customers; and

WHEREAS, on November 25, 2014 and December 9, 2014, the City Council held public hearings at which time interested persons had an opportunity to testify either in support or opposition to implementation of the Sonoma Clean Power CCA program in the City of Rohnert Park.

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Rohnert Park does ordain as follows:

SECTION 1. The above recitations are true and correct and material to this Ordinance.

SECTION 2. Compliance with the California Environmental Quality Act.

The City Council finds and determines that it can be seen with certainty that there is no possibility that the implementation of the Sonoma Clean Power CCA program within the jurisdiction of the City of Rohnert Park will cause any significant adverse effects on the environment, and thus that such implementation is exempt from the California Environmental Quality Act. The City Manager is authorized and directed to file a Notice of Exemption pursuant to the CEQA guidelines;

SECTION 3. Authorization to Implement a Community Choice Aggregation Program.

Based upon the forgoing, and in order to provide business and residents within the City of Rohnert Park with a choice of power providers and with the benefits described above, the City Council ordains that it shall implement a community choice aggregation program within the jurisdiction of the City of Rohnert Park by participating as a group with the County of Sonoma, the Sonoma County Water Agency, and other cities and towns described above in the Community Choice Aggregation program of the Sonoma Clean Power Authority, as generally described in the Implementation Plan.

SECTION 4. Effective Date.

This Ordinance shall be in fully force and effective 30 days after its adoption, and shall be published and posted as required by law.

This Ordinance was introduced by the City Council of the City of Rohnert Park on November 25, 2014, and was adopted December 9, 2014 by the following roll call vote:

AYES: Three (3) Councilmembers Belforte, Mackenzie and Ahanotu

NOES: Two (2) Councilmembers Stafford and Mayor Callinan

ABSENT: None (0)


ABSTAIN: None (0)



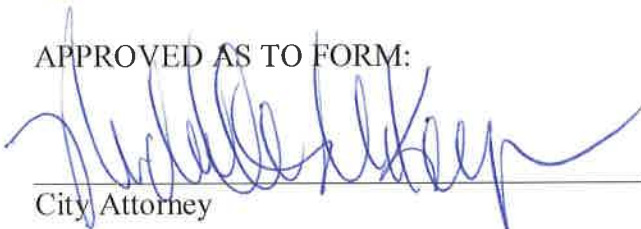
CITY OF ROHNERT PARK


Joseph T. Callinan, Mayor

ATTEST:


JoAnne M. Buergler, City Clerk

APPROVED AS TO FORM:


City Attorney

**Resolution No. 2014-198 N.C.S.
of the City of Petaluma, California**

**REQUESTING THAT THE SONOMA CLEAN POWER AUTHORITY ACT AS
COMMUNITY CHOICE AGGREGATOR ON BEHALF OF THE CITY AND
IMPLEMENT THE SONOMA CLEAN POWER COMMUNITY CHOICE
AGGREGATION PROGRAM WITHIN THE CITY OF PETALUMA**

WHEREAS, the City of Petaluma has investigated options to provide electric services to customers within the City, with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of clean, local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs; and

WHEREAS, the Sonoma County Water Agency prepared a Feasibility Study and a draft Implementation Plan for a community choice aggregation (“CCA”) program in Sonoma County under the provisions of Public Utilities Code §366.2; and

WHEREAS, the Feasibility Study and Implementation Plan show that implementing a community choice aggregation program would provide multiple benefits, including:

- Providing customers a choice of power providers;
- Increasing local control and involvement in and collaboration on energy rates and other energy-related matters;
- Providing more stable long-term electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within Sonoma County;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency; and
- Improving the local economy resulting from the implementation of local renewable energy and energy conservation and efficiency projects; and

WHEREAS, on December 4, 2012, the County of Sonoma and the Sonoma County Water Agency approved a Joint Powers Agreement creating the Sonoma Clean Power Authority (“the Authority”), and under the Joint Powers Agreement, cities and towns within Sonoma County may participate in the Sonoma Clean Power CCA program by adopting the resolution and ordinance required by Public Utilities Code §366.2; and

WHEREAS, the Town of Windsor and the cities of Cotati, Sonoma, Sebastopol, Cloverdale, Rohnert Park and Santa Rosa have also adopted the ordinance and resolution required by Public Utilities Code §366.2, and are now participants in the Sonoma Clean Power CCA program; and

WHEREAS, cities and towns choosing to participate in the CCA program will have membership on the Board of Directors of the Sonoma Clean Power Authority as provided in the joint powers agreement; and

WHEREAS, the Authority has entered into agreements with electric power suppliers and other service providers, and based upon those agreements, the Authority is able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility (PG&E); and

WHEREAS, the California Public Utilities Commission approved the Implementation Plan for the CCA program, and on May 1, 2014, the Authority began providing service to customers within the unincorporated area of Sonoma County and within the jurisdiction of those cities who have chosen to participate in the CCA program; and

WHEREAS, under Public Utilities Code §366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility, so that City residents and businesses who wish to continue to receive service from the incumbent utility will be able to do so.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PETALUMA FINDS AND RESOLVES AS FOLLOWS:

The foregoing recitals are true and correct.

1. The City of Petaluma hereby requests that the Sonoma Clean Power Authority act as Community Choice Aggregator on its behalf within the jurisdiction of the City, and authorizes the Authority to implement and carry out within the City the community choice aggregation program as generally described in the Implementation Plan.
2. The Council finds and determines that it can be seen with certainty that there is no possibility that the implementation of the Sonoma Clean Power CCA program within the jurisdiction of the City of Petaluma will cause any significant adverse effects on the environment, and thus that such implementation is exempt from the California Environmental Quality Act. The City Manager is authorized and directed to file a Notice of Exemption pursuant to the CEQA guidelines.
3. This Resolution shall be effective immediately.

Under the power and authority conferred upon this Council by the Charter of said City.

REFERENCE:

I hereby certify the foregoing Resolution was introduced and adopted by the Council of the City of Petaluma at a Regular meeting on the 15th day of December, 2014, by the following vote:

Approved as to
form:

City Attorney

AYES:

Albertson, Barrett, Harris, Healy, Vice Mayor Kearney, Miller

NOES:

None

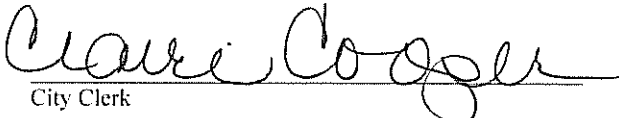
ABSENT:

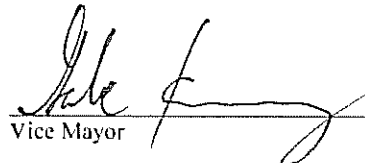
Mayor Glass

ABSTAIN:

None

ATTEST:


City Clerk


Vice Mayor

**EFFECTIVE DATE
OF ORDINANCE**

February 5, 2015

ORDINANCE NO. 2525 N.C.S.

Introduced by

Seconded by

Mike Healy

Gabe Kearney

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PETALUMA AUTHORIZING THE
IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM**

WHEREAS, The City of Petaluma has investigated options to provide electric services to customers within the City, with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of clean, local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs.

WHEREAS, The Sonoma County Water Agency prepared a Feasibility Study and a draft Implementation Plan for a community choice aggregation ("CCA") program in Sonoma County under the provisions of Public Utilities Code §366.2. The Feasibility Study and Implementation Plan show that implementing a community choice aggregation program would provide multiple benefits, including:

- Providing customers a choice of power providers;
- Increasing local control and involvement in and collaboration on energy rates and other energy-related matters;
- Providing more stable long-term electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within Sonoma County;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency; and
- Improving the local economy resulting from the implementation of local renewable energy and energy conservation and efficiency projects.

WHEREAS, On December 4, 2012, the County of Sonoma and the Sonoma County Water Agency approved a Joint Powers Agreement creating the Sonoma Clean Power Authority ("the Authority"). Under the Joint Powers Agreement, cities and towns within Sonoma County may participate in the Sonoma Clean Power CCA program by adopting the resolution and ordinance required by Public Utilities Code §366.2. Cities and towns choosing to participate in the CCA program will have membership on the Board of Directors of the Sonoma Clean Power Authority as provided in the joint powers agreement. The Town of Windsor and the cities of Cotati, Sonoma, Sebastopol, Cloverdale, Rohnert Park, and Santa Rosa have also adopted the ordinance and resolution required by Public Utilities Code §366.2, and are now participants in the Sonoma Clean Power CCA program.

1
2 **WHEREAS**, The Authority has entered into agreements with electric power suppliers and
3 other service providers, and based upon those agreements the Authority is able to provide
4 power to residents and businesses at rates that are competitive with those of the incumbent
5 utility (PG&E). The California Public Utilities Commission approved the Implementation Plan for
6 the CCA program, and on May 1, 2014, the Authority began providing service to customers
7 within the unincorporated area of Sonoma County and within the jurisdiction of those cities who
8 have chosen to participate in the CCA program.
9

10 **WHEREAS**, Under Public Utilities Code §366.2, customers have the right to opt-out of a
11 CCA program and continue to receive service from the incumbent utility. Customers who wish to
12 continue to receive service from the incumbent utility will be able to do so.
13

14 **WHEREAS**, on December 15, 2014, the City Council held a duly noticed public hearing to
15 consider joining the Sonoma Clean Power CCA program.
16

17 **NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PETALUMA AS**
18 **FOLLOWS:**
19

20 **SECTION 1.** Findings.
21

22 The City Council of the City of Petaluma hereby finds:
23

- 24 1. The above recitals are true and correct and are adopted as findings of the City
25 Council.
26
- 27 2. The City Council finds and determines that it can be seen with certainty that there is
28 no possibility that the implementation of the Sonoma Clean Power CCA program
29 within the jurisdiction of the City of Petaluma will cause any significant adverse
30 effects on the environment, and thus that such implementation is exempt from the
31 California Environmental Quality Act. The City Manager is authorized and directed
32 to file a Notice of Exemption pursuant to the CEQA guidelines.
33
- 34 3. Based upon the forgoing, and in order to provide businesses and residents within the
35 City of Petaluma with a choice of power providers and with the benefits described
36 above, the Council hereby affirmatively elects to implement a community choice
37 aggregation program within the jurisdiction of the City of Petaluma by participating
38 as a group with the County of Sonoma, the Sonoma County Water Agency, and
39 other cities in Sonoma County in the Community Choice Aggregation program of the
40 Sonoma Clean Power Authority, as generally described in the Implementation Plan.
41

42 **SECTION II.** Severability. If any section, subsection, sentence, clause, or phrase of this
43 ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect
44 the validity of the remaining portion of this ordinance. The City Council hereby declares that it
45 would have passed this ordinance and every section, subsection, sentence, clause or phrase
46 thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses,
47 or phrases be declared unconstitutional or invalid.
48

49 **SECTION III.** Effective Date. This ordinance shall be and the same is hereby declared to
50 be in full force and effect from and after thirty (30) days after the date of its adoption by the
51 Petaluma City Council.
52

53 **SECTION IV.** Posting/Publishing of Notice. The City Clerk is hereby directed to publish or
54 post this ordinance or a synopsis for the period and in the manner provided by the City Charter

1 and other applicable law.
2
3

4 **INTRODUCED** and ordered posted/published this 15th day of December, 2014.
5

6 **ADOPTED** this 5th day of January, 2015 by the following vote:
7

8 Ayes: Albertson, Barrett, Mayor Glass, Healy, King, Kearney, Vice Mayor Miller
9 Noes: None
10 Abstain: None
11 Absent: None
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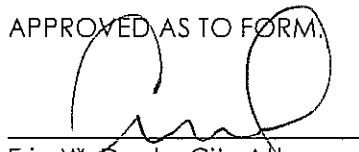


David Glass, Mayor

22 ATTEST:

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25
26 Claire Cooper, CMC, City Clerk

27 APPROVED AS TO FORM:

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Eric W. Danly, City Attorney

COUNTY OF SONOMA ORDINANCE NO. 6016

SONOMA COUNTY WATER AGENCY ORDINANCE NO. 6016

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SONOMA, STATE OF CALIFORNIA, AND AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE SONOMA COUNTY WATER AGENCY, AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM.

The Board of Supervisors of the County of Sonoma, State of California, and the Board of Directors of the Sonoma County Water Agency, hereby ordain as follows:

SECTION I. The County of Sonoma ("County") and the Sonoma County Water Agency ("Water Agency") have been investigating options to provide electric services to constituents within its service areas with the intent of achieving greater local involvement over the provisions of electric services, competitive electric rates, the development of clean, local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs.

SECTION II. Assembly Bill 117, codified as Public Utilities Code §366.2, authorizes participation in a Community Choice Aggregation (CCA) program through a joint powers agency, and to this end the County and the Water Agency have been participating since 2010 in the evaluation of a CCA program for the County and Water Agency and the cities and towns within their service areas. Both the County and the Water Agency have the authority to implement and operate a CCA program under California law.

SECTION III. To assist in the evaluation of a CCA program within Sonoma County, the County and Water Agency created a Steering Committee composed of elected representatives of the County, Water Agency, and cities within Sonoma County; County and Water Agency staff; city and town managers from cities within Sonoma County; representatives of interested non-profit organizations; labor representatives; representatives of Sonoma County businesses; and representatives from the Sonoma County Taxpayers Association. The Steering Committee had input into, oversaw, and received reports on the analysis conducted by consultants hired by the Water Agency to evaluate the feasibility of implementing a CCA program. Water Agency staff also made multiple presentations about the potential CCA program to city and town councils and interested community organizations.

SECTION IV. The Water Agency prepared a Feasibility Study and a draft Implementation Plan for the CCA program. The Feasibility Study and draft Implementation Plan show that implementing a CCA program in Sonoma County would provide multiple benefits, including

- Increased local control and involvement in and collaboration on energy rates and other energy-related matters;
- More stable long-term electric rates that are competitive with those provided by the incumbent utility;

- Reductions in greenhouse gas emissions arising from electricity use within Sonoma County;
- Increased local renewable generation capacity;
- Increased energy conservation and efficiency projects and programs;
- Increased regional energy self-sufficiency; and
- Improvements to the local economy resulting from the implementation of local renewable energy and energy conservation and efficiency projects.

SECTION V. Public Utilities Code §366.2 allows a CCA program to be carried out under a joint powers agreement entered into by entities that each have the capacity to implement a CCA program individually. The joint power agreement structure reduces the risks of implementing a CCA program by immunizing the financial assets of participants.

SECTION VI. In order to obtain more specific information about the costs of the CCA program, the County and Water Agency approved executing a Joint Powers Agreement on December 4, 2012, creating the "Sonoma Clean Power Authority." The Joint Powers Agreement contemplates that cities and towns within Sonoma County may participate in the CCA program by adopting the ordinance required by Public Utilities Code §366.2. Cities and towns choosing to participate in the CCA program will have membership on the Board of Directors of the Sonoma Clean Power Authority as provided in the joint powers agreement.

SECTION VII. Based upon all of the above, the Board of Supervisors and the Board of Directors elect to implement a Community Choice Aggregation program within the County's and Water Agency's jurisdictions by and through the County's and Water Agency's participation in the Sonoma Clean Power Authority, as generally described in the draft Implementation Plan, subject to the County's and the Water Agency's right to forego the actual implementation of a Community Choice Aggregation program in the event that the Board of Directors of the Sonoma Clean Power Authority determines not to finalize and approve an Implementation Plan for submission to the California Public Utilities Commission.

SECTION VIII. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The Board of Supervisors and the Board of Directors hereby declare that they would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION IV. This ordinance shall be and the same is hereby declared to be in full force and effect from and after thirty (30) days after the date of its passage and shall be published once before the expiration of fifteen (15) days after said passage, with the names of the Supervisors and Directors voting for or against the same, in the Sonoma County Press Democrat, a newspaper of general circulation published in the County of Sonoma, State of California.

In regular session of the Board of Supervisors of the County of Sonoma and the Board of Directors of the Sonoma County Water Agency introduced on the 4th day of December, 2012,

Ordinance #6016

Date: 2/11/2012

Page 3

and finally passed and adopted this 11th day of December, 2012, on regular roll call of the members of said Boards by the following vote:

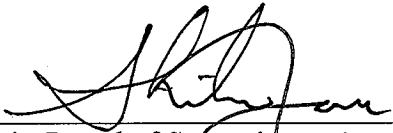
Supervisors/Directors:

Brown: Aye Rabbitt: Aye McGuire: Aye Carrillo: Aye Zane: aye

Ayes: 5 Noes: 0 Absent: 0 Abstain: 0

WHEREUPON, the Chair declared the above and foregoing ordinance duly adopted and

SO ORDERED.



Chair, Board of Supervisors, County of Sonoma
Chair, Board of Directors, Sonoma County Water Agency

ATTEST:



Clerk of the Board of Supervisors by M. Orellana

RESOLUTION NO. 2999-13

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WINDSOR REQUESTING THAT THE SONOMA CLEAN POWER AUTHORITY ACT AS COMMUNITY CHOICE AGGREGATOR ON BEHALF OF THE TOWN AND IMPLEMENT THE SONOMA CLEAN POWER COMMUNITY CHOICE AGGREGATION PROGRAM WITHIN THE TOWN

WHEREAS, the Town of Windsor has investigated options to provide electric services to customers within the Town, with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of clean, local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs; and

WHEREAS, the Sonoma County Water Agency prepared a Feasibility Study and a draft Implementation Plan for a community choice aggregation (“CCA”) program in Sonoma County under the provisions of Public Utilities Code §366.2; and

WHEREAS, the Feasibility Study and draft Implementation Plan show that implementing a community choice aggregation program would provide multiple benefits, including:

- Providing customers a choice of power providers;
- Increasing local control and involvement in and collaboration on energy rates and other energy-related matters;
- Providing more stable long-term electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within Sonoma County;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency; and
- Improving the local economy resulting from the implementation of local renewable energy and energy conservation and efficiency projects; and

WHEREAS, on December 4, 2012, the County of Sonoma and the Sonoma County Water Agency approved a Joint Powers Agreement creating the Sonoma Clean Power Authority (“the Authority”), and under the Joint Powers Agreement, cities and towns within Sonoma County may participate in the Sonoma Clean Power CCA program by adopting the resolution and ordinance required by Public Utilities Code §366.2; and

WHEREAS, cities and towns choosing to participate in the CCA program will have membership on the Board of Directors of the Sonoma Clean Power Authority as provided in the joint powers agreement; and

WHEREAS, the Authority solicited bids from electric power suppliers and other service providers, in order to determine whether implementation of a CCA program in Sonoma County is financially viable, and has determined that a CCA program in Sonoma County could provide power to residents and businesses at rates that are competitive with those of the incumbent utility (PG&E); and

WHEREAS, under Public Utilities Code §366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility, so that Town residents and businesses who wish to continue to receive service from the incumbent utility will be able to do so.

NOW, THEREFORE, BE IT RESOLVED, THAT THE TOWN COUNCIL OF THE TOWN OF WINDSOR FINDS AND RESOLVES AS FOLLOWS:

1. The foregoing recitals are true and correct.
2. The Town of Windsor hereby requests that the Sonoma Clean Power Authority act as Community Choice Aggregator on its behalf within the jurisdiction of the Town, and authorizes the Authority to implement and carry out within the Town the community choice aggregation program as generally described in the draft Implementation Plan, subject to the Authority's right to forego the implementation of a Community Choice Aggregation program in the event that the Board of Directors of the Sonoma Clean Power Authority determines not to finalize and approve an Implementation Plan for submission to the California Public Utilities Commission.
3. This Resolution shall be effective immediately.

PASSED, APPROVED AND ADOPTED this 15th day of May 2013, by the following vote:

AYES: COUNCILMEMBERS FUDGE, OKREPKIE AND SALMON
NOES: COUNCILMEMBER ALLEN AND MAYOR GOBLE
ABSTAIN: NONE
ABSENT: NONE



ROBIN GOBLE, MAYOR

ATTEST:



MARIA DE LA O, TOWN CLERK

ORDINANCE NO. 2013-279

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF WINDSOR AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM

**THE TOWN COUNCIL OF THE TOWN OF WINDSOR HEREBY ORDAINS AS
FOLLOWS:**

SECTION I. The Town of Windsor has investigated options to provide electric services to customers within the Town, with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of clean, local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs.

SECTION II. The Sonoma County Water Agency prepared a Feasibility Study and a draft Implementation Plan for a community choice aggregation (“CCA”) program in Sonoma County under the provisions of Public Utilities Code §366.2. The Feasibility Study and draft Implementation Plan show that implementing a community choice aggregation program would provide multiple benefits, including:

- Providing customers a choice of power providers;
- Increasing local control and involvement in and collaboration on energy rates and other energy-related matters;
- Providing more stable long-term electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within Sonoma County;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency; and
- Improving the local economy resulting from the implementation of local renewable energy and energy conservation and efficiency projects.

SECTION III. On December 4, 2012, the County of Sonoma and the Sonoma County Water Agency approved a Joint Powers Agreement creating the Sonoma Clean Power Authority (“the Authority”). Under the Joint Powers Agreement, cities and towns within Sonoma County may participate in the Sonoma Clean Power CCA program by adopting the resolution and ordinance required by Public Utilities Code §366.2. Cities and towns choosing to participate in the CCA program will have membership on the Board of Directors of the Sonoma Clean Power Authority as provided in the joint powers agreement.

SECTION IV. The Authority has solicited bids from electric power suppliers and other service providers, in order to determine whether implementation of a CCA program in Sonoma County is financially viable. From those bids, the Authority has determined that a CCA program in Sonoma County could provide power to residents and businesses at rates that are competitive with those of the incumbent utility (PG&E).

SECTION V. Under Public Utilities Code §366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to continue to receive service from the incumbent utility will be able to do so.

SECTION VI. Based upon the forgoing, and in order to provide business and residents within the Town of Windsor with a choice of power providers and with the benefits described above, the Council hereby affirmatively elects to implement a community choice aggregation program within the jurisdiction of the Town of Windsor by participating as a group with the County of Sonoma, the Sonoma County Water Agency, and other cities in Sonoma County in the Community Choice Aggregation program of the Sonoma Clean Power Authority, as generally described in the draft Implementation Plan, subject to the Authority's right to forego the implementation of a Community Choice Aggregation program in the event that the Board of Directors of the Sonoma Clean Power Authority determines not to finalize and approve an Implementation Plan for submission to the California Public Utilities Commission.

SECTION VII. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The Town Council hereby declares that it would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION VIII. This ordinance shall be and the same is hereby declared to be in full force and effect from and after thirty (30) days after the date of its passage and shall be published once before the expiration of fifteen (15) days after said passage, with the names of the Councilmembers voting for or against the same, in a newspaper of general circulation published in the County of Sonoma, State of California.

PASSED, APPROVED, AND ADOPTED this 19th day of June 2013, by vote as follows:

AYES: COUNCILMEMBERS FUDGE, OKREPKIE AND SALMON
NOES: COUNCILMEMBER ALLEN AND MAYOR GOBLE
ABSTAIN: NONE
ABSENT: NONE



ROBIN GOBLE, MAYOR

ATTEST:



MARIA DE LA O, TOWN CLERK

CITY OF SONOMA

RESOLUTION NO. 30 - 2013

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SONOMA
REQUESTING THAT THE SONOMA CLEAN POWER AUTHORITY
ACT AS COMMUNITY CHOICE AGGREGATOR ON BEHALF OF
THE CITY AND IMPLEMENT THE SONOMA CLEAN POWER
COMMUNITY CHOICE AGGREGATION PROGRAM
IN THE CITY OF SONOMA AND RESINDING RESOLUTION NO 23-1013**

WHEREAS, the City of Sonoma has investigated options to provide electric services to customers within the City, with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of clean, local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs; and

WHEREAS, the Sonoma County Water Agency prepared a Feasibility Study and a draft Implementation Plan for a community choice aggregation ("CCA") program in Sonoma County under the provisions of Public Utilities Code §366.2; and

WHEREAS, the Feasibility Study and draft Implementation Plan show that implementing a community choice aggregation program would provide multiple benefits, including:

- Providing customers a choice of power providers;
- Increasing local control and involvement in and collaboration on energy rates and other energy-related matters;
- Providing more stable long-term electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within Sonoma County;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency; and
- Improving the local economy resulting from the implementation of local renewable energy and energy conservation and efficiency projects; and

WHEREAS, on December 4, 2012, the County of Sonoma and the Sonoma County Water Agency approved a Joint Powers Agreement creating the Sonoma Clean Power Authority ("the Authority"), and under the Joint Powers Agreement (the "JPA"), cities and towns within Sonoma County may participate in the Sonoma Clean Power CCA program by adopting the resolution and ordinance required by Public Utilities Code §366.2; and

WHEREAS, in response to comments from the City and others, Sonoma County and the Sonoma County Water Agency have advised the City that they intend to amend the JPA in a manner that is acceptable to the City Council. Said amendment to the JPA is intended to occur at the on or before June 25. However, the Authority has requested the City adopt the resolution in June and given that the City's last meeting in June is June 17, the City, in order to accommodate the Authority is adopting this resolution in advance of said amendments to the JPA, in reliance on the representation that the JPA will be amended in a manner that is acceptable to the City; and

WHEREAS, cities and towns choosing to participate in the CCA program will have membership on the Board of Directors of the Sonoma Clean Power Authority as provided in the joint powers agreement; and

WHEREAS, the Authority solicited bids from electric power suppliers and other service providers, in order to determine whether implementation of a CCA program in Sonoma County is financially viable, and has determined that a CCA program in Sonoma County could provide power to residents and businesses at rates that are competitive with those of the incumbent utility (PG&E); and

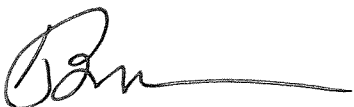
WHEREAS, under Public Utilities Code §366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility, so that City residents and businesses who wish to continue to receive service from the incumbent utility will be able to do so;

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Sonoma finds and resolves as follows:

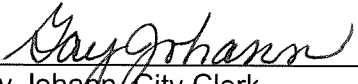
1. The foregoing recitals are true and correct.
2. The City of Sonoma hereby requests that the Sonoma Clean Power Authority act as Community Choice Aggregator on its behalf within the jurisdiction of the City, and authorizes the Authority to implement and carry out within the City the community choice aggregation program as generally described in the draft Implementation Plan, subject to the Authority's right to forego the implementation of a Community Choice Aggregation program in the event that the Board of Directors of the Sonoma Clean Power Authority determines not to finalize and approve an Implementation Plan for submission to the California Public Utilities Commission.
3. The City hereby designates and appoints Councilmember Steve Barbose to serve as the representative of the City on the Board of Directors of the Sonoma Clean Power Authority.
4. This Resolution shall be effective immediately.
5. Resolution No. 23-2013 is hereby rescinded and replaced by this resolution including the naming of a City representative.

PASSED, APPROVED AND ADOPTED this 15th day of July 2013 by the following vote:

AYES:	Barbose, Rouse, Brown, Cook
NOES:	None
ABSENT:	Gallian



Ken Brown, Mayor

ATTEST:


Gay Johann, City Clerk

CITY OF SONOMA

ORDINANCE NO. 03 – 2013

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SONOMA AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM

The City Council of the City of Sonoma does ordain as follows:

SECTION 1. The City of Sonoma has investigated options to provide electric services to customers within the City, with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of clean, local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs.

SECTION 2. The Sonoma County Water Agency prepared a Feasibility Study and a draft Implementation Plan for a community choice aggregation (“CCA”) program in Sonoma County under the provisions of Public Utilities Code §366.2. The Feasibility Study and draft Implementation Plan show that implementing a community choice aggregation program would provide multiple benefits, including:

- Providing customers a choice of power providers;
- Increasing local control and involvement in and collaboration on energy rates and other energy-related matters;
- Providing more stable long-term electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within Sonoma County;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency; and
- Improving the local economy resulting from the implementation of local renewable energy and energy conservation and efficiency projects.

SECTION 3. On December 4, 2012, the County of Sonoma and the Sonoma County Water Agency approved a Joint Powers Agreement creating the Sonoma Clean Power Authority (“the Authority”). Under the Joint Powers Agreement (the “JPA”), cities and towns within Sonoma County may participate in the Sonoma Clean Power CCA program by adopting the resolution and ordinance required by Public Utilities Code §366.2. Cities and towns choosing to participate in the CCA program will have membership on the Board of Directors of the Sonoma Clean Power Authority as provided in the joint powers agreement.

SECTION 4. In response to comments from the City and others, Sonoma County and the Sonoma County Water Agency have advised the City that they intend to amend the JPA in a manner that is acceptable to the City Council. Said amendment to the JPA is intended to occur at the on or before June 25. However, the Authority has requested the City adopt this ordinance in June and given that the City’s last meeting in June is June 17, the City, in order to accommodate the Authority is adopting this ordinance in advance of said amendments to the JPA, in reliance on the representation that the JPA will be amended in a manner that is acceptable to the City.

SECTION 5. The Authority has solicited bids from electric power suppliers and other service providers, in order to determine whether implementation of a CCA program in Sonoma County is financially viable. From those bids, the Authority has determined that a CCA program in Sonoma County could provide power to residents and businesses at rates that are competitive with those of the incumbent utility (PG&E).

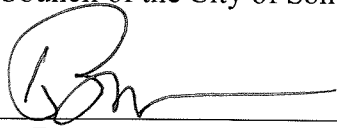
SECTION 6. Under Public Utilities Code §366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to continue to receive service from the incumbent utility will be able to do so.

SECTION 7. Based upon the forgoing, and in order to provide business and residents within the City of Sonoma with a choice of power providers and with the benefits described above, the Council hereby affirmatively elects to implement a community choice aggregation program within the jurisdiction of the City of Sonoma by participating as a group with the County of Sonoma, the Sonoma County Water Agency, and other cities in Sonoma County in the Community Choice Aggregation program of the Sonoma Clean Power Authority, as generally described in the draft Implementation Plan, subject to the Authority's right to forego the implementation of a Community Choice Aggregation program in the event that the Board of Directors of the Sonoma Clean Power Authority determines not to finalize and approve an Implementation Plan for submission to the California Public Utilities Commission.

SECTION 8. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The City Council hereby declares that it would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION 9. Effective Date. This Ordinance shall become effective thirty (30) days from and after the date of its passage.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Sonoma this 15th day of July 2013.


Ken Brown, Mayor

ATTEST:


Gay Johann, City Clerk

State of California)
County of Sonoma)
City of Sonoma)

I, Gay Johann, City Clerk of the City of Sonoma, do hereby certify that the foregoing ordinance was adopted on July 15, 2013 by the following vote:

AYES: Barbose, Rouse, Brown, Cook
NOES: None
ABSENT: Gallian



Gay Johann, City Clerk

RESOLUTION NO. 28315

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA REQUESTING THAT THE SONOMA CLEAN POWER AUTHORITY ACT AS COMMUNITY CHOICE AGGREGATOR ON BEHALF OF THE CITY AND IMPLEMENT THE SONOMA CLEAN POWER COMMUNITY CHOICE AGGREGATION PROGRAM WITHIN THE CITY OF SANTA ROSA

WHEREAS, the Sonoma County Water Agency prepared a Feasibility Study and a draft Implementation Plan for a community choice aggregation (“CCA”) program in Sonoma County under the provisions of Public Utilities Code §366.2; and

WHEREAS, the Feasibility Study and draft Implementation Plan states that implementing a community choice aggregation program would provide multiple benefits, including:

- Providing customers a choice of power providers;
- Increasing local control and involvement in and collaboration on energy rates and other energy-related matters;
- Providing more stable long-term electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within Sonoma County;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency; and
- Improving the local economy resulting from the implementation of local renewable energy and energy conservation and efficiency projects; and

WHEREAS, on December 4, 2012, the County of Sonoma and the Sonoma County Water Agency approved a Joint Powers Agreement creating the Sonoma Clean Power Authority (“the Authority”), and under the Joint Powers Agreement, cities and towns within Sonoma County may participate in the Sonoma Clean Power CCA program by adopting the resolution and ordinance required by Public Utilities Code §366.2; and

WHEREAS, cities and towns choosing to participate in the CCA program will have membership on the Board of Directors of the Sonoma Clean Power Authority as provided in the joint powers agreement; and

WHEREAS, the Authority solicited bids from electric power suppliers and other service providers, in order to determine whether implementation of a CCA program in Sonoma County is financially viable, and has determined that a CCA program in Sonoma County could provide power to residents and businesses at rates that are competitive with those of the incumbent utility (PG&E); and

WHEREAS, under Public Utilities Code §366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility, so that City residents and businesses who wish to continue to receive service from the incumbent utility will be able to do so.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa hereby requests that the Sonoma Clean Power Authority act as Community Choice Aggregator on its behalf within the jurisdiction of the City, and authorizes the Authority to implement and carry out within the City the community choice aggregation program as generally described in the draft Implementation Plan, subject to the Authority's right to forego the implementation of a Community Choice Aggregation program in the event that the Board of Directors of the Sonoma Clean Power Authority determines not to finalize and approve an Implementation Plan for submission to the California Public Utilities Commission and provided that the following changes are made in writing to Joint Powers Agreement and Draft Implementation Plan:

- A. Section 4.7.6 of the Joint Powers Agreement is amended to provide that Santa Rosa shall have an equal number of Directors as the County regardless of the number of participants and provide for the appointment of alternates to attend in the absence of the Director;
- B. That Section 4.7 of the Joint Powers Agreement be amended to provide that the following actions shall require the specified vote of the Board of Directors as follows:
 1. Amendment of the Joint Powers Agreement shall require a sixty-six percent (66%) vote of the Directors and of the weighted vote of members and participants.
 2. Exercise of Eminent Domain power to acquire property other than Easements shall require a seventy five percent (75%) vote of the Board of Directors;
 3. Any requirement that Participant make contributions or pledge assets as a condition of continued participation in the CCA shall require a seventy-five percent (75%) vote of the Directors and shall also require the approval of the governing board of those asked to make such pledge or contribution.
- C. That the Joint Powers Agreement be amended to specify that meetings of the Authority, any committee appointed by the Authority including but not limited to the Ratepayer Committee and the Business Advisory Committee and any subsidiary or independent company established by the Authority shall comply with the provisions of the Ralph M. Brown Act in the conduct of any of its meetings.
- D. That Section 4.5.2.1 of the Joint Powers Agreement be amended to provide that the Ratepayer Advisory Committee "shall" instead of "may" recommend to the Board that any rates or charges proposed to be imposed by the Authority be approved, approved as amended or disapproved and delete language that the ratepayer committee can decline to make a recommendation; and that Section 4.5.3.4 be amended to provide that the Board of Directors may authorize an amount to exceed those expenditure limits of it finds and determine it is reasonable and necessary to do so.

- E. That Section 4.5.1 of the Joint Powers Agreement be amended to provide that removal of a member of the Ratepayer Advisory Committee shall require a two-thirds vote of the Directors.
- F. That the Joint Powers Agreement be amended to provide that the Board shall be required to approve any contract between the Authority and one of its Members or Participants if the total amount of the contract(s) in any fiscal year are in excess of \$50,000.
- G. That the Joint Powers Agreement be amended to clarify the Withdrawal Provisions in Sections 7.1 and 8.14 in terms of the notice requirements after an amendment and the scope of the liability of a withdrawing participant. In addition, the language in Section 7.3 should be amended to define a standard for the deposit requirements upon withdrawal that is not so ambiguous or arbitrary.
- H. That the Draft Implementation Plan be amended to provide that the Board shall develop within the first year a long term strategic plan for the funding and evaluation of local renewable and energy efficiency projects which shall include consideration by the board of requirements for a dedicated funding source, prevailing wage requirements, and project labor agreements and consider limitations on use of nuclear power.
- I. That the Draft Implementation Plan be amended to provide that the City of Santa Rosa's municipal accounts shall not be included until Phase II of the Implementation plan and that with 180 days prior notice, the City may elect to defer Implementation of some or all of its accounts until Phase III.
- J. That the Draft Implementation Plan be amended to remove the Cost Recovery Charge imposed on customers who terminate their account with Sonoma Clean Power and that provisions be added that require any customer who previously terminated their service must agree to at least a twelve month service period to initiate new service with Sonoma Clean Power.

BE IT FURTHER RESOLVED that this resolution shall be effective immediately.

BE IT FURTHER RESOLVED that upon satisfaction of the above conditions, the Council shall adopt an ordinance implementing the Community Choice Aggregation Program. If the conditions are not satisfied within thirty (30) days then this resolution shall become null and void.

IN COUNCIL DULY PASSED this 16th day of July, 2013.

AYES: (6) Mayor Olivares, Council Members Combs, Olivares, Ours, Swinth, Wysocky

NOES: (0)

ABSENT: (1) Vice Mayor Carlstrom

ABSTAIN: (0)

ATTEST: Stephanie Williams
Deputy City Clerk

APPROVED: Don P. Barth
Mayor

APPROVED AS TO FORM:

P&C CL7
City Attorney

ORDINANCE NO. 4009

ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA ROSA AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM

THE PEOPLE OF THE CITY OF SANTA ROSA DO ENACT AS FOLLOWS:

Section 1. The Sonoma County Water Agency prepared a Feasibility Study and a draft Implementation Plan for a community choice aggregation (“CCA”) program in Sonoma County under the provisions of Public Utilities Code §366.2. The Feasibility Study and draft Implementation Plan state that implementing a community choice aggregation program would provide multiple benefits, including:

- Providing customers a choice of power providers;
- Increasing local control and involvement in and collaboration on energy rates and other energy-related matters;
- Providing stable long-term electric rates;
- Reducing greenhouse gas emissions arising from electricity use within Sonoma County;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency;
- Improving the local economy resulting from the implementation of local renewable energy and energy conservation and efficiency projects; and

Section 2. On December 4, 2012, the County of Sonoma and the Sonoma County Water Agency approved a Joint Powers Agreement creating the Sonoma Clean Power Authority (“the Authority”). Under the Joint Powers Agreement, cities and towns within Sonoma County may participate in the Sonoma Clean Power CCA program by adopting the resolution and ordinance required by Public Utilities Code §366.2. Cities and towns choosing to participate in the CCA program will have membership on the Board of Directors of the Sonoma Clean Power Authority as provided in the joint powers agreement.

Section 3. The Authority has solicited bids from electric power suppliers and other service providers, in order to determine whether implementation of a CCA program in Sonoma County is financially viable. From those bids, the Authority has determined that a CCA program in Sonoma County could provide power to residents and businesses at rates that are competitive with those of the incumbent utility (PG&E).

Section 4. Under Public Utilities Code §366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to continue to receive service from the incumbent utility will be able to do so.

Section 5. Based upon the forgoing, and in order to provide business and residents within the City of Santa Rosa with a choice of power providers and with the benefits described above,

the Council hereby affirmatively elects to implement a community choice aggregation program within the jurisdiction of the City of Santa Rosa by participating as a group with the County of Sonoma, the Sonoma County Water Agency, and other cities in Sonoma County in the Community Choice Aggregation program of the Sonoma Clean Power Authority, as generally described in the draft Implementation Plan, subject to the Authority's right to forego the implementation of a Community Choice Aggregation program in the event that the Board of Directors of the Sonoma Clean Power Authority determines not to finalize and approve an Implementation Plan for submission to the California Public Utilities Commission.

Section 6. Severability. If any section, subsection, sentence, clause, phrase or word of this ordinance is for any reason held to be invalid and/or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

Section 7. Environmental Determination The City finds that the action approving Sonoma Power is within the scope of the Supplemental Environmental Impact Report of the Santa Rosa Climate Action Plan adopted on June 5, 2012, and further that any future projects in connection with Sonoma Clean Power will be subject to future environmental review consistent with the requirements of CEQA

Section 8. Effective Date. This ordinance shall take effect on the 31st day following its adoption.

IN COUNCIL DULY PASSED this 30th day of July, 2013.

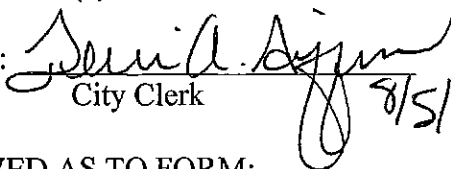
AYES: (6) Mayor Bartley, Council Members Combs, Ours, Olivares, Swinth, Wysocky

NOES: (0)

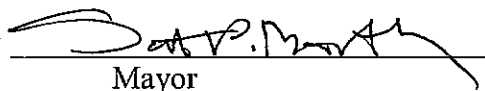
ABSENT: (1) Vice Mayor Carlstrom

ABSTAIN: (0)

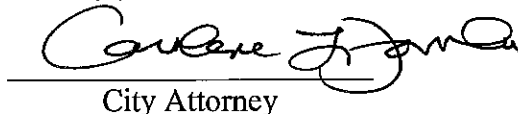
ATTEST:


City Clerk

APPROVED:


Mayor

APPROVED AS TO FORM:


City Attorney

RESOLUTION NO. **5942**

A Resolution of the City Council of the City of Sebastopol Requesting that the Sonoma Clean Power Authority Act as Community Choice Aggregator on behalf of the City and Implement the Sonoma Clean Power Community Choice Aggregation Program within the City of Sebastopol

Whereas, the City of Sebastopol has investigated options to provide electric services to customers within the City, with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of clean, local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs; and

Whereas, the Sonoma County Water Agency prepared a Feasibility Study and a draft Implementation Plan for a community choice aggregation (“CCA”) program in Sonoma County under the provisions of Public Utilities Code §366.2; and

Whereas, the Feasibility Study and draft Implementation Plan show that implementing a community choice aggregation program would provide multiple benefits, including:

- Providing customers a choice of power providers;
- Increasing local control and involvement in and collaboration on energy rates and other energy-related matters;
- Providing more stable long-term electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within Sonoma County;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency; and
- Improving the local economy resulting from the implementation of local renewable energy and energy conservation and efficiency projects; and

Whereas, on December 4, 2012, the County of Sonoma and the Sonoma County Water Agency approved a Joint Powers Agreement creating the Sonoma Clean Power Authority (“the Authority”), and under the Joint Powers Agreement, cities and towns within Sonoma County may participate in the Sonoma Clean Power CCA program by adopting the resolution and ordinance required by Public Utilities Code §366.2; and

Whereas, cities and towns choosing to participate in the CCA program will have membership on the Board of Directors of the Sonoma Clean Power Authority as provided in the joint powers agreement; and

Whereas, the Authority solicited bids from electric power suppliers and other service providers, in order to determine whether implementation of a CCA program in Sonoma County is financially viable, and has determined that a CCA program in Sonoma County could provide power to residents and businesses at rates that are competitive with those of the incumbent utility (PG&E); and

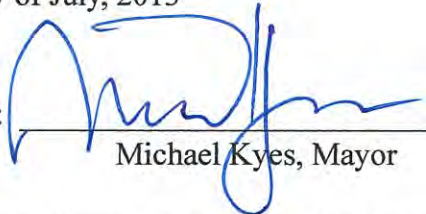
Whereas, under Public Utilities Code §366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility, so that City residents and businesses who wish to continue to receive service from the incumbent utility will be able to do so.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEBASTOPOL FINDS AND RESOLVES AS FOLLOWS:

1. The foregoing recitals are true and correct.
2. The City of Sebastopol hereby requests that the Sonoma Clean Power Authority act as Community Choice Aggregator on its behalf within the jurisdiction of the City, and authorizes the Authority to implement and carry out within the City the community choice aggregation program as generally described in the draft Implementation Plan, subject to the Authority's right to forego the implementation of a Community Choice Aggregation program in the event that the Board of Directors of the Sonoma Clean Power Authority determines not to finalize and approve an Implementation Plan for submission to the California Public Utilities Commission.
3. This Resolution shall be effective immediately.

IN COUNCIL DULY PASSED this 2nd day of July, 2013

APPROVED:


Michael Kyes, Mayor

VOTE:


AYES: Councilmembers Gurney, Slayter, Vice Mayor Jacob and Mayor Kyes

NOES: Councilmember Eder


ABSTAIN: None

ABSENT: None

ATTEST:


Mary Gurney, City Clerk

Approved as to Form:


Larry McLaughlin, City Attorney

SECOND READING AND ADOPTION

Chapter 3.66

City of Sebastopol City Council Ordinance No. **1061**

An Ordinance of the City Council of the City of Sebastopol Authorizing the Implementation of a Community Choice Aggregation Program

THE CITY COUNCIL OF THE CITY OF SEBASTOPOL HEREBY ORDAINS AS FOLLOWS:

SECTION I. The City of Sebastopol has investigated options to provide electric services to customers within the City, with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of clean, local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs.

SECTION II. The Sonoma County Water Agency prepared a Feasibility Study and a draft Implementation Plan for a community choice aggregation (“CCA”) program in Sonoma County under the provisions of Public Utilities Code §366.2. The Feasibility Study and draft Implementation Plan show that implementing a community choice aggregation program would provide multiple benefits, including:

- Providing customers a choice of power providers;
- Increasing local control and involvement in and collaboration on energy rates and other energy-related matters;
- Providing more stable long-term electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within Sonoma County;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency; and
- Improving the local economy resulting from the implementation of local renewable energy and energy conservation and efficiency projects.

SECTION III. On December 4, 2012, the County of Sonoma and the Sonoma County Water Agency approved a Joint Powers Agreement creating the Sonoma Clean Power Authority (“the Authority”). Under the Joint Powers Agreement, cities and towns within Sonoma County may participate in the Sonoma Clean Power CCA program by adopting the resolution and ordinance required by Public Utilities Code §366.2. Cities and towns choosing to participate in the CCA program will have

membership on the Board of Directors of the Sonoma Clean Power Authority as provided in the joint powers agreement.

SECTION IV. The Authority has solicited bids from electric power suppliers and other service providers, in order to determine whether implementation of a CCA program in Sonoma County is financially viable. From those bids, the Authority has determined that a CCA program in Sonoma County could provide power to residents and businesses at rates that are competitive with those of the incumbent utility (PG&E).

SECTION V. Under Public Utilities Code §366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to continue to receive service from the incumbent utility will be able to do so.

SECTION VI. Based upon the forgoing, and in order to provide business and residents within the City of Sebastopol with a choice of power providers and with the benefits described above, the Council hereby affirmatively elects to implement a community choice aggregation program within the jurisdiction of the City of Sebastopol by participating as a group with the County of Sonoma, the Sonoma County Water Agency, and other cities in Sonoma County in the Community Choice Aggregation program of the Sonoma Clean Power Authority, as generally described in the draft Implementation Plan, subject to the Authority's right to forego the implementation of a Community Choice Aggregation program in the event that the Board of Directors of the Sonoma Clean Power Authority determines not to finalize and approve an Implementation Plan for submission to the California Public Utilities Commission.

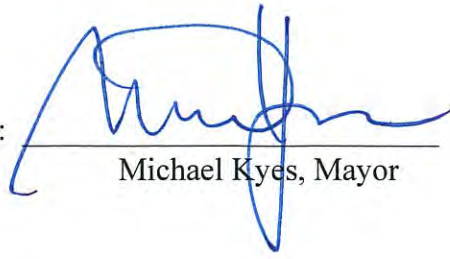
SECTION VII. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The City/Town Council hereby declares that it would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION VIII. This ordinance shall be and the same is hereby declared to be in full force and effect from and after thirty (30) days after the date of its passage and shall be published once before the expiration of fifteen (15) days after said passage, with the names of the Councilmembers voting for or against the same, in the Sonoma County Press Democrat, a newspaper of general circulation published in the County of Sonoma, State of California.

IN COUNCIL DULY APPROVED FOR INTRODUCTION AND FIRST READING on the 2nd day of July 2013.

IN COUNCIL DULY APPROVED FOR SECOND READING AND ADOPTION on the 16th day of July, 2013.

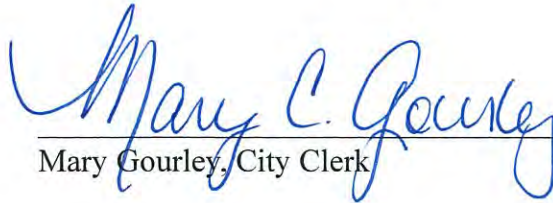
APPROVED:


Michael Kyes, Mayor

VOTE:

AYES: Councilmembers Gurney, Slayter, Vice Mayor Jacob and Mayor Kyes
NOES: None
ABSTAIN: None
ABSENT: Councilmember Eder

ATTEST:


Mary Gourley, City Clerk

Approved as to Form:


Larry McLaughlin, City Attorney

ORDINANCE NO. 839

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COTATI ADDING CHAPTER 13.50 (COMMUNITY CHOICE AGGREGATION) TO TITLE 13 (WATER, SEWERS AND ELECTRICAL)

WHEREAS, the City of Cotati (“City”) has investigated options to provide electric services to customers within the City, with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of clean, local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs; and

WHEREAS, assembly Bill 117, codified as Public Utilities Code §366.2, authorizes participation in a Community Choice Aggregation (CCA) program through a joint powers agency; and

WHEREAS, The Sonoma County Water Agency prepared a Feasibility Study and a draft Implementation Plan for a community choice aggregation (“CCA”) program in Sonoma County under the provisions of Public Utilities Code §366.2. The Feasibility Study and draft Implementation Plan show that implementing a community choice aggregation program would provide multiple benefits, including:

- Providing customers a choice of power providers;
- Increasing local control and involvement in and collaboration on energy rates and other energy-related matters;
- Providing more stable long-term electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within Sonoma County;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency;
- Improving the local economy resulting from the implementation of local renewable energy and energy conservation and efficiency projects; and

WHEREAS, Public Utilities Code §366.2 allows a CCA program to be carried out under a joint powers agreement entered into by entities that each have the capacity to implement a CCA program individually. The joint power agreement structure reduces the risks of implementing a CCA program by immunizing the financial assets of participants; and

WHEREAS, On December 4, 2012, the County of Sonoma and the Sonoma County Water Agency approved a Joint Powers Agreement creating the Sonoma Clean Power Authority (“the Authority”). Under the Joint Powers Agreement, cities and towns within Sonoma County may participate in the Sonoma Clean Power CCA program by adopting the resolution and ordinance required by Public Utilities Code §366.2. Cities and towns choosing to participate in the CCA

program will have membership on the Board of Directors of the Sonoma Clean Power Authority as provided in the joint powers agreement; and

WHEREAS, the Authority has solicited bids from electric power suppliers and other service providers, in order to determine whether implementation of a CCA program in Sonoma County is financially viable. From those bids, the Authority has determined that a CCA program in Sonoma County could provide power to residents and businesses at rates that are competitive with those of the incumbent utility (PG&E); and

WHEREAS, Under Public Utilities Code §366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to continue to receive service from the incumbent utility will be able to do so.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COTATI DOES ORDAIN AS FOLLOWS:

SECTION 1. Chapter 13.50 (Community Choice Aggregation) and Section 13.50.010 (Sonoma Clean Power) is added to the Cotati Municipal Code under Part III (Other Utility Regulations) to read as follows:

13.50.010 Sonoma Clean Power

A. In order to provide business and residents within the City of Cotati with a choice of power providers, the Council hereby affirmatively elects to implement a community choice aggregation program within the jurisdiction of the City of Cotati by participating as a group with the County of Sonoma, the Sonoma County Water Agency, and other cities in Sonoma County in the Community Choice Aggregation program of the Sonoma Clean Power Authority, as generally described in the draft Implementation Plan, subject to the Authority's right to forego the implementation of a Community Choice Aggregation program in the event that the Board of Directors of the Sonoma Clean Power Authority determines not to finalize and approve an Implementation Plan for submission to the California Public Utilities Commission.

SECTION 2: Severability. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The Board of Supervisors and the Board of Directors hereby declare that they would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

SECTION 3: Effective Date. This ordinance shall be and the same is hereby declared to be in full force and effect from and after thirty (30) days after the date of its passage and shall be published once before the expiration of fifteen (15) days after said passage, with the names of

the City Council members voting for or against the same, in the Sonoma County Press Democrat, a newspaper of general circulation published in the County of Sonoma, State of California.

IT IS HEREBY CERTIFIED that the foregoing ordinance was duly introduced at a regular meeting of the City Council of the City of Cotati held on the 26th day of June, 2013 and legally adopted at a regular meeting of the City Council of the City of Cotati held on the 10th day of July, 2013 by the following vote, to wit:

LANDMAN	<u>Yes</u>
DELL'OSSO	<u>Yes</u>
HARVEY	<u>Yes</u>
MOORE	<u>Yes</u>
SKILLMAN	<u>Yes</u>

Approved: _____

Mark Landman, Mayor

Attest: _____

Tamara Taylor, CMC
Deputy City Clerk

Approved as to form:

Robin Paige Donoghue
Robin Donoghue, City Attorney

RESOLUTION NO. 2013-41

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COTATI REQUESTING THAT THE SONOMA CLEAN POWER AUTHORITY ACT AS COMMUNITY CHOICE AGGREGATOR ON BEHALF OF THE CITY AND IMPLEMENT THE SONOMA CLEAN POWER COMMUNITY CHOICE AGGREGATION PROGRAM WITHIN THE CITY OF COTATI

WHEREAS, the City of Cotati has investigated options to provide electric services to customers within the City, with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of clean, local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs; and

WHEREAS, the Sonoma County Water Agency prepared a Feasibility Study and a draft Implementation Plan for a community choice aggregation (“CCA”) program in Sonoma County under the provisions of Public Utilities Code §366.2; and

WHEREAS, the Feasibility Study and draft Implementation Plan show that implementing a community choice aggregation program could provide multiple benefits, including:

- Providing customers a choice of power providers;
- Increasing local control and involvement in and collaboration on energy rates and other energy-related matters;
- Providing more stable long-term electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within Sonoma County;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency; and
- Improving the local economy resulting from the implementation of local renewable energy and energy conservation and efficiency projects; and

WHEREAS, on December 4, 2012, the County of Sonoma and the Sonoma County Water Agency approved a Joint Powers Agreement creating the Sonoma Clean Power Authority (“the Authority”), and under the Joint Powers Agreement, cities and towns within Sonoma County may participate in the Sonoma Clean Power CCA program by adopting the resolution and ordinance required by Public Utilities Code §366.2; and

WHEREAS, cities and towns choosing to participate in the CCA program will have membership on the Board of Directors of the Sonoma Clean Power Authority as provided in the joint powers agreement; and

WHEREAS, the Authority solicited bids from electric power suppliers and other service providers, in order to determine whether implementation of a CCA program in Sonoma County is financially viable, and has determined that a CCA program in Sonoma County could

provide power to residents and businesses at rates that are competitive with those of the incumbent utility.


WHEREAS, under Public Utilities Code §366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility, so that City residents and businesses who wish to continue to receive service from the incumbent utility will be able to do so;


NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Cotati:

1. The City of Cotati hereby requests that the Sonoma Clean Power Authority act as Community Choice Aggregator on its behalf within the jurisdiction of the City, and authorizes the Authority to implement and carry out within the City the community choice aggregation program as generally described in the draft Implementation Plan, subject to the Authority's right to forego the implementation of a Community Choice Aggregation program in the event that the Board of Directors of the Sonoma Clean Power Authority determines not to finalize and approve an Implementation Plan for submission to the California Public Utilities Commission.
2. The City will select a representative for the Sonoma Clean Power Authority Board of Directors concurrent with adoption of the ordinance.
3. This Resolution shall be effective immediately.

IT IS HEREBY CERTIFIED that the foregoing resolution was duly introduced and legally adopted at a regular meeting of the City Council of the City of Cotati held on the 26th day of June, 2013 by the following vote, to wit:

LANDMAN	<u>Yes</u>
DELL'OSSO	<u>Yes</u>
HARVEY	<u>Yes</u>
MOORE	<u>Yes</u>
SKILLMAN	<u>Yes</u>

Approved: 
Mark Landman, Mayor

Attest: 
Tami Taylor, CMC
Deputy City Clerk

Approved as to form:


Robin Donoghue, City Attorney

Appendix B: Sonoma Clean Power Joint Powers Agreement

On December 4, 2012, the SCPA Board of Directors adopted a joint powers agreement, which was amended and restated by the Board of Directors on July 25, 2013. The joint powers agreement begins on the following page.

Second Amended and Restated Joint Powers Agreement

Relating to and Creating the

Sonoma Clean Power Authority

By and Among

The County of Sonoma and
The Sonoma County Water Agency

This Second Amended and Restated Joint Powers Agreement (“Agreement”), effective as of July 25, 2013, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the parties set forth in Exhibit B (“Parties”), and supersedes the original Joint Powers Agreement dated December 4, 2012 and the First Amended and Restated Joint Powers Agreement dated June 25, 2013.

RECITALS

- A. The Parties share various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and customers within their jurisdictions.
- B. In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB 32 which will require local governments to develop programs to reduce greenhouse gas emissions.
- C. The purposes for the entering into this Agreement include
 - a. Reducing greenhouse gas emissions related to the use of power in Sonoma County and neighboring regions;
 - b. Providing electric power and other forms of energy to customers at a competitive cost;
 - c. Carrying out programs to reduce energy consumption;
 - d. Stimulating and sustaining the local economy by developing local jobs in renewable energy; and
 - e. Promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources.
- D. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to

solar, wind, and biomass energy production. The purchase of renewable power and use of renewable energy credits is intended only as a transitional method to decrease regional greenhouse gas emissions; local renewable projects are the preferred method.

- E. The Parties desire to establish a separate public agency, known as the Sonoma Clean Power Authority (“Authority”), under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) (“Act”) in order to collectively study, promote, develop, conduct, operate, and manage energy programs.
- F. The Parties anticipate adopting an ordinance electing to implement through the Authority a common Community Choice Aggregation program, an electric service enterprise available to cities, counties, and the Sonoma County Water Agency pursuant to California Public Utilities Code Sections 331.1(c) and 366.2 (“CCA Program”). The first priority of the Authority will be the consideration of those actions necessary to implement the CCA Program.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

ARTICLE 1: DEFINITIONS AND EXHIBITS

1.1 Definitions. Capitalized terms used in the Agreement shall have the meanings specified in Exhibit A, unless the context requires otherwise.

1.2 Documents Included. This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement.

Exhibit A: Definitions

Exhibit B: List of the Parties and Participants

Exhibit C: Annual Energy Use

Exhibit D: Voting Shares

ARTICLE 2: FORMATION OF SONOMA CLEAN POWER AUTHORITY

2.1 Effective Date and Term. This Agreement shall become effective and Sonoma Clean Power Authority shall exist as a separate public agency on the date this Agreement is executed by the Parties. The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 7.4, subject to the rights of the Parties to withdraw from the Authority.

2.2 Formation. There is formed as of the Effective Date a public agency named the Sonoma Clean Power Authority. Pursuant to Sections 6506 and 6507 of the Act, the Authority is a public agency separate from the Parties. Pursuant to Sections 6508.1 of the Act, the debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability

or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 8.4 of this Agreement, this Section 2.2 may not be amended unless such amendment is approved by the governing board of each Party.

2.3 Purpose. The purpose of this Agreement is to establish an independent public agency in order to exercise powers common to each Party to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. Without limiting the generality of the foregoing, the Parties intend for this Agreement to be used as a contractual mechanism by which the Parties and Participants are authorized to participate in the CCA Program, as further described in Section 5.1. The Parties intend that other agreements shall define the terms and conditions associated with the implementation of the CCA Program and any other energy programs approved by the Authority.

2.4 Powers. The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following powers, subject to the voting requirements set forth in Section 4.7 through 4.7.6:

2.4.1 to make and enter into contracts;

2.4.2 to employ agents and employees, including but not limited to a Chief Executive Officer;

2.4.3 to acquire, contract, manage, maintain, and operate any buildings, infrastructure, works, or improvements;

2.4.4 to acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property;

2.4.5 to lease any property;

2.4.6 to sue and be sued in its own name;

2.4.7 to incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Sections 53850 et seq. and authority under the Act;

2.4.8 to form subsidiary or independent corporations or entities, if necessary to carry out energy supply and energy conservation programs at the lowest possible cost or to take advantage of legislative or regulatory changes;

2.4.9 to issue revenue bonds and other forms of indebtedness;

2.4.10 to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;

2.4.11 to submit documentation and notices, register, and comply with orders, tariffs and

agreements for the establishment and implementation of the CCA Program and other energy programs;

2.4.12 to adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority (“Operating Rules and Regulations”); and

2.4.13 to make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services.

2.5 Limitation on Powers. As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by the Sonoma County Water Agency.

2.6 Compliance with Local Zoning and Building Laws and CEQA. Unless state or federal law provides otherwise, any facilities, buildings or structures located, constructed, or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act (CEQA).

ARTICLE 3: AUTHORITY PARTICIPATION

3.1 Participation in CCA Program. The Parties may participate in the CCA Program upon the adoption of an ordinance required by Public Utilities Code Section 366.2(c)(12). Other incorporated municipalities and counties (“Participants”) may participate in the CCA Program upon (a) the adoption of a resolution by the governing body of such incorporated municipality or such county requesting that the incorporated municipality or county, as the case may be, become a participant in the CCA Program, (b) the adoption, by an affirmative vote of the Board satisfying the requirements described in Section 4.7.3 (or, if demanded by any Director, 4.7.4), of a resolution authorizing the participation of the additional incorporated municipality or county, specifying the participation payment, if any, to be made by the additional incorporated municipality or county to reflect its pro rata share of organizational, planning, and other pre-existing expenditures, and describing additional conditions, if any, associated with participation, (c) the adoption of an ordinance required by Public Utilities Code Section 366.2(c)(12) and execution of any necessary program agreements by the incorporated municipality or county, (d) payment of the membership payment, if any, and (e) satisfaction of any conditions established by the Board.

3.2 Continuing Participation. The Parties acknowledge that participation in the CCA Program may change by the addition or withdrawal or termination of Participants. The Parties agree to participate with such other Participants as may later be added, as described in Section 3.1. The Parties also agree that the withdrawal or termination of a Participant shall not affect this Agreement or the remaining Parties’ or Participants’ continuing obligations under this Agreement.

3.3 Participants Not Liable for Authority Debts. The debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Participants unless the

governing board of a Participant agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Participant who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties and Participants agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 8.4 of this Agreement, this Section 3.3 may not be amended unless such amendment is approved by the governing board of each Participant.

ARTICLE 4: GOVERNANCE AND INTERNAL ORGANIZATION

4.1 Board of Directors. The governing body of the Authority shall be a Board of Directors ("Board"). The Board shall initially consist of five directors appointed by the Sonoma County Board of Supervisors, and shall upon the addition of additional Participants be comprised as set forth in Section 4.7. Each Director shall serve at the pleasure of the governing board of the Party or Participant who appointed such Director, and may be removed as Director by such governing board at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the position of the previous Director within 90 days of the date that such position becomes vacant. Directors may be (but need not be) members of the Board of Supervisors or members of the governing board of any municipality or county electing to participate in the CCA Program.

4.2 Quorum. A majority of the Directors shall constitute a quorum, except that less than a quorum may adjourn from time to time in accordance with law.

4.3 Powers and Functions of the Board. The Board shall exercise general governance and oversight over the business and activities of the Authority, consistent with this Agreement and applicable law. The Board shall provide general policy guidance to the CCA Program. The Board shall be required to approve any of the following actions:

- a. The issuance of bonds or any other financing even if program revenues are expected to pay for such financing.
- b. The hiring of a Chief Executive Officer and General Counsel.
- c. The appointment or removal of an officer.
- d. The adoption of the Annual Budget.
- e. The adoption of an ordinance.
- f. The initiation of litigation where the Authority will be the plaintiff, petitioner, cross complainant or cross petitioner, or intervenor; provided, however, that the Chief Executive Officer or General Counsel, on behalf of the Authority, may intervene in, become a party to, or file comments with respect to any proceeding pending at the California Public Utilities Commission, the Federal Energy Regulatory Commission, or any other administrative agency, without approval of the Board.
- g. The setting of rates for power sold by the Authority and the setting of charges for any other category of service provided by the Authority.
- h. Termination of the CCA Program.

4.4 Chief Executive Officer. The Board of Directors shall appoint a Chief Executive Officer for the Authority, who shall be responsible for the day-to-day operation and management of the Authority and the CCA Program. The Chief Executive Officer may exercise all powers of the Authority, except the powers specifically set forth in Section 4.3 or those powers which by law must be exercised by the Board of Directors. The Board of Directors shall approve any agreement between the Authority and any Party or Participant if the total amount payable under the agreement and other agreements with the Party or Participant is more than \$50,000 in any fiscal year.

4.5 Commissions, Boards, and Committees. The Board may establish any advisory commissions, boards, and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs and the provisions of this Agreement which shall comply with the requirements of the Ralph M. Brown Act. The Board may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees, including the Ratepayer Advisory Committee and the Business Operations Committee, and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

4.5.1 Ratepayer Advisory Committee. The Board shall establish a Ratepayer Advisory Committee consisting of seven members, none of whom may be members of the Board. Three members of the Ratepayer Advisory Committee shall be commercial or industrial customers and four members shall be residential customers (one of whom shall be a tenant). Committee members shall represent the interests of the ratepayers. The Board shall publicize the opportunity to serve on the Ratepayer Advisory Committee, and shall appoint members of the Ratepayer Advisory Committee from those individuals expressing interest in serving. Members of the Ratepayer Advisory Committee shall serve staggered four-year terms (the first term of three of the members [one commercial/business, two residential] shall be two years, and four years thereafter), which may be renewed. A member of the Ratepayer Advisory Committee may only be removed by the Board of Directors by a two-thirds vote as provided in Section 4.7.5. Each member of the Ratepayer Advisory Committee shall have one vote; a majority of members shall constitute a quorum; and a majority of a quorum is sufficient for committee action.

4.5.2 Duties and Powers of Ratepayer Advisory Committee. The Ratepayer Advisory Committee shall have the following duties and powers:

4.5.2.1 Review of Budget and Rates. The proposed annual budget of the CCA Program and any rates or charges proposed to be imposed by the Authority for CCA Program power or services shall be submitted to the Ratepayer Advisory Committee for review and comment. Following review by the Ratepayer Advisory Committee of any such matter, the committee shall recommend to the Board that the matter be approved, approved as amended, or disapproved by the Board. The recommendation of the Ratepayer Advisory Committee shall be communicated to the Board and noted on the agenda for the meeting at which the Board considers the matter. The Board may impose a reasonable deadline for action on the Ratepayer Advisory Committee as necessary to ensure the timely setting of rates by the Authority.

4.5.2.2 Reports to the Board. The Ratepayer Advisory Committee may prepare or cause to be prepared for presentation to the Board any reports, investigations, studies, or analyses relating to the Authority or the CCA Program.

4.5.2.3 Placing Matters on Board's Agenda. The Ratepayer Advisory Committee may place any matter relating to the Authority or the CCA Program on the Board's agenda for consideration and possible action.

4.5.2.4 Support for Ratepayer Advisory Board. The Board shall provide reasonable and necessary administrative assistance to the Ratepayer Advisory Committee. The Ratepayer Advisory Committee may enter into contracts as reasonably necessary to carry out its duties and powers; provided, however, that (a) the amount payable under any contract cannot exceed \$20,000 per year, (b) the total amount payable under all contracts cannot exceed \$50,000 per year, and (c) the contracts are in a form acceptable to the Authority's Chief Executive Officer and General Counsel. The Board of Directors may authorize an amount in excess of these expenditure limits if it finds and determines that it is reasonable and necessary to do so for the Ratepayer Advisory Committee to perform its obligations.

4.5.3 Business Operations Committee. The Board shall establish a Business Operations Committee to oversee and assist the Chief Executive Officer in implementing the CCA Program. The Business Operations Committee shall consist of five members appointed by the Board of Directors, having expertise in one or more of the areas of management, administration, finance, public contracts, infrastructure development, renewable power generation, power sales and marketing, or energy conservation. The Business Operations Committee shall meet no less frequently than bi-monthly. Committee members shall be appointed to staggered four-year terms (the first term of two of the members shall be two years, and four years thereafter), which may be renewed. A member of the Business Operations Committee may be removed by the Board of Directors by majority vote. Each member of the Business Operations Committee shall have one vote; a majority of members shall constitute a quorum; and a majority of a quorum is sufficient for committee action. The Board of Directors shall determine whether the Committee members shall be compensated or entitled to reimbursement for expenses.

4.5.3.1 Duties of Business Operations Committee. The Business Operations Committee shall review the operations of the CCA Program. The Business Operations Committee may request that the Chief Executive Officer provide information reasonably necessary to such review. The Business Operations Committee may make recommendations with respect to the operations of the Authority to the Chief Executive Officer or to the Chair of the Board of Directors.

4.5.3.2 Chief Executive Officer Reports to Business Operations Committee. The Chief Executive Officer shall prepare, no later than the 20th day of each first month of each fiscal quarter, a report to the Business Operations Committee on the operations of the Authority during the preceding fiscal quarter. The report shall contain information regarding the financial performance of the Authority during the preceding quarter, the number of accounts served, the amount of power

delivered, and a narrative description of energy efficiency, energy conservation, renewable power generation, and other programs carried out by the Authority.

4.5.3.3 Review of Major Contracts and Capital Projects. The Chief Executive Officer shall submit all proposed contracts and capital projects having a value in excess of \$250,000 to the Business Operations Committee for review and comment prior to submission to the Board for approval. This requirement shall not apply if the Chief Executive Officer determines, following consultation with the General Counsel, that an unforeseen or emergency situation exists such that execution of a major contract is required before it is feasible to hold a meeting of the Business Operations Committee to consider the contract.

4.5.3.4 Other Delegated Powers. The Board of Directors may delegate such other and further powers and duties to the Business Operations Committee as it shall determine in its sole discretion.

4.6 Director Compensation. Directors shall serve without compensation from the Authority. However, Directors may be compensated by their respective appointing authorities. The Board, however, may adopt by resolution a policy relating to the reimbursement by the Authority of expenses incurred by Directors.

4.7 Board of Directors Composition upon Participation by Cities or Counties in CCA Program Under Section 3.1. Except as provided in Section 4.7.6, upon the approval of the Board of the participation of any other incorporated municipality or county (the “Participant” or “Additional Participant”) in the CCA Program pursuant to Section 3.1, the Additional Participant shall be entitled to appoint one additional member to the Board of Directors. Each Party or Participant may appoint an alternate(s) to serve in the absence of its Director(s). Upon such appointment, the voting shares of Directors and approval requirements for actions of the Board shall be as follows:

4.7.1. Voting Shares.

Each Director shall have a voting share as determined by the following formula: (Annual Energy Use/Total Annual Energy) multiplied by 100, where

(a) “Annual Energy Use” means, (i) with respect to the first year following the Effective Date, the annual electricity usage, expressed in kilowatt hours (“kWh”), within the Party’s or Participant’s respective jurisdiction and (ii) with respect to the period after the anniversary of the Effective Date, the annual electricity usage, expressed in kWh, of accounts within a Party’s respective jurisdiction that are served by the Authority; and

(b) “Total Annual Energy” means the sum of all Parties’ and Participants’ Annual Energy Use. The initial values for Annual Energy use are designated in Exhibit C, and shall be adjusted annually as soon as reasonably practicable after January 1, but no later than March 1 of each year.

(c) The combined voting share of all Directors representing the County of Sonoma and the Sonoma County Water Agency shall be based upon the annual

electricity usage within the unincorporated area of Sonoma County.

For purposes of Weighted Voting, if a Party or Participant has more than one director, then the voting shares allocated to the entity shall be equally divided amongst its directors.

4.7.2. Exhibit Showing Voting Shares. The initial voting shares are set forth in Exhibit D. Exhibit D shall be revised no less than annually as necessary to account for changes in the number of Parties or Participants and changes in the Parties' and Participants' Annual Energy Use.

4.7.3. Approval Requirements Relating to CCA Program. Except as provided in Sections 4.7.4 and 4.7.5 below, action of the Board shall require the affirmative vote of a majority of Directors present at the meeting.

4.7.4. Option for Approval by Voting Shares. Notwithstanding Section 4.7.3, any Director present at a meeting may demand that approval of any matter related to the CCA Program be determined on the basis of voting shares and by the affirmative vote of a majority of Directors present at the meeting. If a Director makes such a demand with respect to approval of any such matter, then approval of such matter shall require the affirmative vote of a majority of Directors present at the meeting and the affirmative vote of Directors having a majority of voting shares, as determined by Section 4.7.1 except as provided in Section 4.7.5.

4.7.5. Special Voting Requirements for Certain Matters.

A. Two-Thirds and Weighted Voting Approval Requirements Relating to Sections 4.5.1, 7.2, and 8.4. Action of the Board on the matters set forth in Section 4.5.1 (removal of member of Ratepayer Advisory Committee), Section 7.2 (involuntary termination of a Party or Participant), or Section 8.4 (amendment of this Agreement) shall require the affirmative vote of at least two-thirds of Directors; provided, however, that (a) notwithstanding the foregoing, any Director present at the meeting may demand that the vote be determined on the basis of voting shares and by the affirmative vote of Directors, and if a Director makes such a demand, then approval shall require the affirmative vote of at least two-thirds of Directors and the affirmative vote of Directors having at least two-thirds of the voting shares, as determined by Section 4.7.1; (b) when a Director has demanded that the vote be determined on the basis of voting shares and by the affirmative vote of Directors, if any individual Party or Participant's voting share exceeds 33 and the Director(s) for that Party or Participant votes in the negative or abstains or is absent from the meeting, then at least one other Director representing a different Party or Participant shall be required to vote in the negative, or the matter shall be deemed approved; and (c) for votes to involuntarily terminate a Party or Participant under Section 7.2, the Director(s) for the Party or Participant subject to involuntary termination may not vote, and the number of Directors constituting two-thirds of all Directors, and weighted vote of each Party or Participant, shall be recalculated as if the Party or Participant subject to possible termination were not a Party or Participant.

B. Seventy Five Percent Special Voting Requirements for Eminent Domain and Participant Contributions or Pledge of Assets.

(i) A decision to exercise the power of eminent domain on behalf of the Authority to acquire any property interest other than an easement, right-of-way, or temporary construction easement shall require a vote of at least 75% of all Directors.

(ii) The imposition on any Party or Participant of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program shall require a vote of at least 75% of all Directors and the approval of the governing boards of the Parties and Participants who are being asked to make such contribution or pledge.

(iii) Notwithstanding the foregoing, any Director present at the meeting may demand that a vote under subsections (i) or (ii) be determined on the basis of voting shares and by the affirmative vote of Directors, and if a Director makes such a demand, then approval shall require the affirmative vote of at least 75% of Directors and the affirmative vote of Directors having at least 75% of the voting shares, as determined by Section 4.7.1, and when a Director has demanded that the vote be determined on the basis of voting shares and by the affirmative vote of Directors, if any individual Party or Participant's voting share exceeds 25% and the Director(s) for that Party or Participant votes in the negative or abstains or is absent from the meeting, then at least one other Director representing a different Party or Participant shall be required to vote in the negative, or the matter shall be deemed approved. For purposes of this section, "imposition on any Party or Participant of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program" does not include any liabilities or obligations of a withdrawing or terminated party imposed under Section 7.3.

4.7.6. Reduction in Number of Members Appointed by County of Sonoma and Sonoma County Water Agency. Upon the approval of the Board of Directors of Additional Participants in the CCA Program pursuant to Section 3.1, the number of members of the Board of Directors appointed to represent the County of Sonoma and the Sonoma County Water Agency shall be reduced as set forth below:

Total Number of Additional Participants	Number of Sonoma County/SCWA Directors
1	4
2	3
3-5	2
6 or more	1

Notwithstanding anything in Section 4.7 or Section 4.7.6 to the contrary, however, in the event that the City of Santa Rosa is one of the Additional Participants, then the City of Santa Rosa shall be entitled to the same number of Directors on the Board as the County of Sonoma and the Sonoma County Water Agency.

4.8 Meetings and Special Meetings of the Board. The Board shall hold at least four regular meetings per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law. All meetings of the Board, the Ratepayer Advisory Committee, the Business Operations Committee, or the governing body of any subsidiary entity or independent corporation established by the Authority shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Sections 54950 et seq.).

4.9 Selection of Board Officers.

4.9.1 Chair and Vice Chair. The Directors shall select, from among themselves, a Chair, who shall be the presiding officer of all Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if: (a) the person serving dies, resigns, or the Party that the person represents removes the person as its representative on the Board or (b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

4.9.2 Secretary. The Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority.

4.9.3 Treasurer and Auditor. The Sonoma County Auditor-Controller-Treasurer-Tax Collector shall act as the Treasurer and the Auditor for the Authority. Unless otherwise exempted from such requirement, the Authority shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall act as the depository of the Authority and have custody of all the money of the Authority, from whatever source, and as such, shall have all of the duties and responsibilities specified in Section 6505.5 of the Act. The Treasurer shall report directly to the Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time. The duties and obligations of the Treasurer are further specified in Article 6.

4.10 Administrative Services Provider. The Board may appoint one or more administrative services providers to serve as the Authority's agent for planning, implementing, operating and administering the CCA Program, and any other program approved by the Board, in accordance with the provisions of a written agreement between the Authority and the appointed

administrative services provider or providers (an “Administrative Services Agreement”). The appointed administrative services provider may be one of the Parties. An Administrative Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the CCA Program and other approved programs. The Administrative Services Agreement shall set forth the term of the Agreement and the circumstances under which the Administrative Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the CCA Program or any other program.

ARTICLE 5 IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

5.1 Preliminary Implementation of the CCA Program.

5.1.1 Enabling Ordinance. Except as otherwise provided by Section 3.1, each Party shall adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.

5.1.2 Implementation Plan. The Authority shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Board in the manner provided by Section 4.7.3.

5.1.3 Termination of CCA Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

5.2 Authority Documents. The Parties acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board through Board resolution. The Parties agree to abide by and comply with the terms and conditions of all such documents that may be adopted by the Board, subject to the Parties’ right to withdraw from the Authority as described in Article 7.

ARTICLE 6 FINANCIAL PROVISIONS

6.1 Fiscal Year. The Authority’s fiscal year shall be 12 months commencing July 1 and ending June 30. The fiscal year may be changed by Board resolution.

6.2 Depository.

6.2.1 All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or Participant or any other person or entity.

6.2.2 All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly

during the fiscal year. The books and records of the Authority shall be open to inspection by the Parties and Participants at all reasonable times. The Board shall contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

6.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board.

6.3 Budget and Recovery of Costs.

6.3.1 Budget. The initial budget shall be approved by the Board. The Board may revise the budget from time to time through an Authority Document as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of the Authority shall be approved by the Board in accordance with the Operating Rules and Regulations.

6.3.2 Funding of Initial Costs. The Sonoma County Water Agency has funded certain activities necessary to implement the CCA Program. If the CCA Program becomes operational, these initial costs paid by the Sonoma County Water Agency shall be included in the customer charges for electric services as provided by Section 6.3.3 to the extent permitted by law, and the Sonoma County Water Agency shall be reimbursed from the payment of such charges by customers of the Authority. Prior to such reimbursement, the Sonoma County Water Agency shall provide such documentation of costs paid as the Board may request. The Authority may establish a reasonable time period over which such costs are recovered. In the event that the CCA Program does not become operational, the Sonoma County Water Agency shall not be entitled to any reimbursement of the initial costs it has paid from the Authority or any Party.

6.3.3 CCA Program Costs. The Parties desire that all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric, conservation, efficiency, incentives, financing, or other services provided under the CCA Program, including but limited to the establishment and maintenance of various reserves and performance funds and administrative, accounting, legal, consulting, and other similar costs, shall be recovered through charges to CCA customers receiving such electric services, or from revenues from grants or other third-party sources.

ARTICLE 7: WITHDRAWAL AND TERMINATION

7.1 Withdrawal.

7.1.1 Right to Withdraw. A Party or Participant may withdraw its participation in the CCA Program, effective as of the beginning of the Authority's fiscal year, by giving no less than 6 months advance written notice of its election to do so, which notice shall be given to the Authority and each Party and Participant. Withdrawal of a Party or Participant shall require an affirmative vote of its governing board.

7.1.2 Right to Withdraw After Amendment. Notwithstanding Section 7.1.1, a Party or Participant may withdraw its membership in the Authority following an amendment to this Agreement adopted by the Board which the Party or Participant's Director(s) voted against provided such notice is given in writing within thirty (30) days following the date of the vote. Withdrawal of a Party or Participant shall require an affirmative vote of its governing board and shall not be subject to the six month advance notice provided in Section 7.1.1. In the event of such withdrawal, the Party or Participant shall be subject to the provisions of Section 7.3.

7.1.3 Continuing Liability; Further Assurances. A Party or Participant that withdraws its participation in the CCA Program may be subject to certain continuing liabilities, as described in Section 7.3. The withdrawing Party or Participant and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party or Participant from participation in the CCA Program.

7.2 Involuntary Termination of a Party or Participant. Participation of a Party or Participant in the CCA program may be terminated for material non-compliance with provisions of this Agreement or any other agreement relating to the Party's or Additional Participant's participation in the CCA Program upon a vote of Board members as provided in Section 4.7.5. Prior to any vote to terminate participation with respect to a Party or Participant, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Party or Participant whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or other agreement that the Party or Participant has allegedly violated. The Party or Participant subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Party or Participant that has had its participation in the CCA Program terminated may be subject to certain continuing liabilities, as described in Section 7.3.

7.3 Continuing Liability; Refund. Upon a withdrawal or involuntary termination of a Party or Participant, the Party or Participant shall remain responsible for any claims, demands, damages, or liabilities arising from the Party or Participant's membership or participation in the CCA Program through the date of its withdrawal or involuntary termination, it being agreed that the Party or Participant shall not be responsible for any liabilities arising after the date of the Party or Participant's withdrawal or involuntary termination. Claims, demands, damages, or liabilities for which a withdrawing or terminated Party or Participant may remain liable include, but are not limited to, losses from the resale of power contracted for by the Authority to serve the Party or Participant's load. With respect to such liability, upon notice by a Participant that it wishes to withdraw from the program, the Authority shall notify the Party or Participant of the minimum waiting period under which the Participant would have no costs for withdrawal if the Participant agrees to stay in the CCA Program for such period. The waiting period will be set to the minimum duration such that there are no costs transferred to remaining ratepayers. If the Party or Participant elects to withdraw before the end of the minimum waiting period, the charge for exiting shall be set at a dollar amount that would offset actual costs to the remaining ratepayers, and may not include punitive charges that exceed actual costs. In addition, such Party or

Participant also shall be responsible for any costs or obligations associated with the Party or Participant's participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of the Party or Participant. The Authority may withhold funds otherwise owing to the Party or Participant or may require the Party or Participant to deposit sufficient funds with the Authority, as reasonably determined by the Authority and approved by a vote of the Board of Directors, to cover the Party's or Participant's liability for the costs described above. Any amount of the Party's or Participant's funds held on deposit with the Authority above that which is required to pay any liabilities or obligations shall be returned to the Party or Participant. The liability of any Party or Participant under this section 7.3 is subject and subordinate to the provisions of Sections 2.2 and 3.3, and nothing in this section 7.3 shall reduce, impair, or eliminate any immunity from liability provided by Sections 2.2 or 3.3.

7.4 Mutual Termination. This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Participant to withdraw its participation in the CCA Program, as described in Section 7.1.

7.5 Disposition of Property upon Termination of Authority. Upon termination of this Agreement, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any program documents, shall be returned to the then-existing Parties and Participants in proportion to the contributions made by each.

7.6 Negotiations with Participants. If the Parties wish to terminate this Agreement, or if the Parties elect to withdraw from the CCA Program following an amendment to this Agreement as provided in Section 7.1.2, but two or more Participants wish to continue to participate in the CCA Program, the Parties will negotiate in good faith with such Participants to allow the Participants to become parties to this Agreement or to effect a transfer of CCA Program operations to another entity.

ARTICLE 8 MISCELLANEOUS PROVISIONS

8.1 Dispute Resolution. The Parties, Participants, and the Authority shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. Should such efforts to settle a dispute, after reasonable efforts, fail, the dispute shall be settled by binding arbitration in accordance with policies and procedures established by the Board.

8.2 Liability of Directors, Officers, and Employees. The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Sections 995 et seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Participants, the Authority, or its Directors, officers, or employees.

8.3 Indemnification of Parties and Participants. The Authority shall acquire such insurance

coverage as is necessary to protect the interests of the Authority, the Parties, the Participants, and the public. The Authority shall defend, indemnify, and hold harmless the Parties and Participants, and each of their respective Board or Council members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

8.4 Amendment of this Agreement. This Agreement may not be amended except by a written amendment approved by a vote of Board members as provided in Section 4.7.5. The Authority shall provide written notice to all Parties and Participants of amendments to this Agreement, including the effective date of such amendments, at least 30 days prior to the date upon which the Board votes on such amendments.

8.5 Assignment. Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties or Participants may not be assigned or delegated without the advance written consent of all of the other Parties and Participants, and any attempt to assign or delegate such rights or duties in contravention of this Section 8.5 shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties and Participants. This Section 8.5 does not prohibit a Party or Participant from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party's or Participant's contributions to the Authority, or the disposition of proceeds which that Party or Participant receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties or Participants under this Agreement.

8.6 Severability. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties, that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

8.7 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

8.8 Execution by Counterparts. This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

8.9 Parties to be Served Notice. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given

48 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties and Participants.

8.10 Commitment to Consider Amendments. At one of its first three meetings after July 9, 2013, the Board of Directors shall consider all amendments to this Agreement that have been requested by any city that adopts, by July 9, 2013, the resolution and ordinance required by Section 3.1 to become a Participant in the CCA Program. Any such amendments shall be subject to the voting requirements of Section 8.4. Nothing in this Section 8.10 requires the Board of Directors to approve any specific amendment to this Agreement.

Exhibit A

Definitions

“AB 117” means Assembly Bill 117 (Stat. 2002, ch. 838, codified at Public Utilities Code Section 366.2), which created CCA.

“Act” means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq.*)

“Administrative Services Agreement” means an agreement or agreements entered into after the Effective Date by the Authority with an entity that will perform tasks necessary for planning, implementing, operating and administering the CCA Program or any other energy programs adopted by the Authority.

“Agreement” means this Joint Powers Agreement.

“Annual Energy Use” has the meaning given in Section 4.7.2.

“Authority” means the Sonoma Clean Power Authority.

“Authority Document(s)” means document(s) duly adopted by the Board by resolution or motion implementing the powers, functions, and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.

“Board” means the Board of Directors of the Authority.

“CCA” or “Community Choice Aggregation” means an electric service option available to cities, counties, and the Sonoma County Water Agency pursuant to Public Utilities Code Section 366.2.

“CCA Program” means the Authority’s program relating to CCA that is principally described in Sections 2.3, 2.4, and 5.1.

“Director” means a member of the Board of Directors representing a Party or an Additional Participant.

“Effective Date” means the date on which this Agreement shall become effective and the Sonoma Clean Power Authority shall exist as a separate public agency, as further described in Section 2.1.

“Implementation Plan” means the plan generally described in Section 5.1.2 of this Agreement that is required under Public Utilities Code Section 366.2 to be filed with the California Public Utilities Commission for the purpose of describing a proposed CCA Program.

“Initial Costs” means all costs incurred by the Authority relating to the establishment and initial operation of the Authority, such as the hiring of a Chief Executive Officer and any administrative staff, any required accounting, administrative, technical, or legal services in support of the Authority’s initial activities or in support of the negotiation, preparation, and approval of one or more Administrative Services Provider Agreements and Program Agreement 1. Administrative and operational costs incurred after the approval of Program Agreement 1 shall not be considered Initial Costs.

“Operating Rules and Regulations” means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

“Participant” or “Additional Participant” means any incorporate municipality or county electing to participate in the CCA Program.

“Parties” means, collectively, the County of Sonoma and the Sonoma County Water Agency.

“Party” means the County of Sonoma or the Sonoma County Water Agency.

“Total Annual Energy” has the meaning given in Section 4.7.2.

Exhibit B

List of Parties and Participants

Parties: County of Sonoma, Sonoma County Water Agency

Participants: Town of Windsor; City of Cotati; City of Sebastopol; City of Sonoma; City of Santa Rosa

Exhibits C and D

Annual Energy Use and Voting Shares

ANNUAL ENERGY USE WITHIN SCP JURISDICTIONS AND VOTING SHARES		
Twelve Months Ended November, 2012		
<u>Party/Participant</u>	<u>Total KWh</u>	<u>Voting Share</u>
COTATI	35,225,135	2
SANTA ROSA	917,356,138	43
SEBASTOPOL	46,269,378	2
SONOMA	70,456,332	3
SONOMA COUNTY/SCWA	962,970,050	45
WINDSOR	109,156,425	5
Total	2,141,433,458	100