



**AGENDA  
COMMUNITY ADVISORY COMMITTEE  
Tuesday, January 16, 2018  
9:00 A.M.**

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50 Santa Rosa Avenue, 5<sup>th</sup> Floor, Santa Rosa, California

**I. CALL TO ORDER**

**II. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA**

(Comments are restricted to matters within the Committee jurisdiction. The Committee will hear public comments at this time for up to thirty minutes. Please limit your comments to three minutes.)

**III. COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR**

1. Review and approve the November 29, 2017 meeting minutes of the Community Advisory Committee
2. Receive Operations Report
3. Receive State Legislative and Regulatory updates
4. Receive report on legislative platforms for SCPA and recommend Board action
5. Receive Programs Strategic Action Plan
6. Review and recommend approval for program incentive levels for rebuilding in areas affected by wildfires

**IV. COMMITTEE MEMBER ANNOUNCEMENTS**

**V. ADJOURN**

*DISABLED ACCOMMODATION: If you have a disability which requires an accommodation, an alternative format, or requires another person to assist you while attending this meeting, please contact the Clerk at (707) 978-3463, as soon as possible to ensure arrangements for accommodation.*



**MINUTES  
COMMUNITY ADVISORY COMMITTEE  
Wednesday, November 29, 2017**

**I. CALL TO ORDER**

The meeting was called to order by Chair Dowd at 9:03 a.m.

Committee members present: Chair Dowd, Fenichel, Nicholls, Williamson, Mattinson and Beeler

Staff present: Chief Executive Officer Geof Syphers, General Counsel Steve Shupe and Director of Internal Operations Stephanie Reynolds

**II. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA**

Laura Neish, Executive Director of 350 Bay Area stated that 350 Bay Area and 350 Sonoma are working on rebuilding, incentivizing the rebuilding of homes and processing final costs. She asked what SCP is working on and for ideas on how the process can be simplified.

Charles Cormany, Executive Director of Efficiency First California stated he is a big proponent of electrification and this is an opportunity to build better performing houses and go electric.

**III. COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR**

1. Review and approve the September 21, 2017 meeting minutes of the Community Advisory Committee

Public Comment: None

Motion to approve the September 21, 2017 meeting minutes of the Community Advisory Committee by CM Nicholls

Second: CM Mattinson

Motion approved: 5-0-1 (CM Williamson abstained)

Newly elected CAC members Joel Chaban and Helen Sizemore introduced themselves.

2. Receive Operations Report

Stephanie Reynolds, Director of Internal Operations stated that the Board formed an ad hoc to donate \$1 million towards fire relief assistance and that SCP has been working with the County of Sonoma, the City of Santa Rosa and staff from Mendocino County on recovery efforts. CEO Syphers stated he is helping staff the ad hoc committee for fire relief and it has a

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tentative goal of trying to support net zero efforts and making those efforts broader than just the burned areas. He stated SCP is working with the County, the City of Santa Rosa and our sister agencies to coordinate.

CM Williamson asked what can be done right now. CEO Syphers stated charging stations are being offered and SCP Programs staff are working on a grant that could provide funding to create a physical storefront for home electrification and energy efficient products and ideas.

Chair Dowd stated that a lot of the reconstruction in subdivisions will be public construction and asked if SCP is discussing funds. CEO Syphers stated that a lot depends on FEMA but that public infrastructure is a major focus.

CM Beeler stated he appreciates SCP's approach and suggested car sharing and heat pumps.

CM Nicholls stated he hopes that broadband lines will be included in these neighborhoods.

Director Reynolds stated the ad hoc for CAC recruitment nominated applicants Helen Sizemore, Joel Chaban and Dick Dowd beginning in January and the public and the Board asked for two more members to be added along with a non-voting student member.

CEO Syphers presented departing members Beeler and Williamson with a thank you letter from SCP.

Director Reynolds updated the CAC on Drive Evergreen and stated the Program being extended for an additional month was a big benefit and the current number is about 450 purchases and leases.

She updated the CAC on the financial statements and noted the outside Financial audit for the past fiscal year was voted on and accepted by the Board at the last meeting.

CEO Syphers stated that staff continues to slowly grow to bring more work in house, and one long-term economic option for office space could include purchasing a building. CM Williamson asked about real estate and General Counsel Steve Shupe stated that statute defines what investments public agencies can put money into and believes real estate could be feasible.

CM Fenichel asked if there was a portfolio for the investment money and CEO Syphers stated SCP has the County Investment Pool and money in the bank and they both earn approximately 1.3%.

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CM Nicholls asked for an update on the Golden Hills project. Rebecca Simonson, Power Services Manager stated the project went online and is doing a good job of generating electricity in the evening hours. CEO Syphers stated the developer notes that the technology is known to reduce bird mortality by 90%.

CM Williamson asked about floating solar. Manager Simonson stated there are four projects and one has been approved and signed and the results of that recommendation will be published. She stated she expects the remaining projects to go forward in Spring of 2018.

Public comment: None

3. Receive State Legislative and Regulatory updates

Neal Reardon, Regulatory Affairs Manager updated the CAC on the PCIA ruling and how CalCCA worked with the utilities to identify what needed to be agreed on. He stated this was submitted to the judge who largely sided with SCP. CEO Syphers stated information will be under a heavy NDA. Manager Reardon updated the CAC on the Commission's proceedings and stated the main issue is the Commission is considering ordering early procurement. He stated the determination should come out in January. CEO Syphers stated that a bill in Sacramento would require accelerated purchase of solar in a compressed timeframe and SCP is asking for a longer timeframe and to include all renewable technologies.

CM Mattinson asked about the IOUs. Manager Reardon stated SCP submitted its plan for compliance and the CPUC told utilities to stop buying and gave them permission to go out and sell excess renewables. Counsel Shupe stated the at PG&E ERA forecast proceeding, where PG&E applies for approval for the PCIA rate for the next year, SCP challenged the testimony of PG&E, which included large gaps in data and calculations. He stated that motion, as well as the proposed decision granting their PCIA rates have not come out yet. He stated that if there is a decision before January 1 then the PCIA rate will not change.

CEO Syphers stated it is expected that SB100 will define a date when California is expected to be 100% renewable and the regionalization of the ISO will likely be back in the legislature in 2018. He stated there is an increasing effort for the State to step-in and support electric vehicles.

Kate Kelly, Director of Public Affairs and Marketing stated that SCP has turned its attention to educating our local electives on issues that will be coming up in the next year and fire relief recovery.

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CM Williamson asked about the PCIA and if there is help from other CCAs. Counsel Shupe stated CalCCA hired an outside attorney and other CCAs regulatory staff and counsel are participating in the meetings.

Public comment: None

4. Review and provide recommendation on possible budget and rates adjustment

CEO Syphers updated and gave background to the CAC on the proposed conditional adjustment to the Fiscal Year 2017-18 budget. He stated this is a proposed rate adjustment that would become effective only if (a) at least one of the common rate classes see savings of less than one percent, and (b) there is sufficient budget capacity to do so without changing our financial policy. He stated what is proposed is a sequence and the first step from the budget standpoint is to make sure cleaner data is obtained which we will start having in late December and this will inform how much room there will be in the budget to make a rate adjustment. He stated the steps are to adjust the revenues and expenses based on the fire and then limit the planned contributions to reserves to 4% and then take reductions to specific line items in the budget. He stated the concept is to have an automatic rate change that would go into effect March 1.

CM Williamson asked about profit and CEO Syphers stated there was not a big impact to renewable output with the fires and the past summer was much hotter than forecasted and impacts of both the fires and the summer should roughly balance out. He stated the proposal is to adopt a process which would create an automatic rate change under certain conditions up to certain limitations, but bring the specific budget adjustment for the rate change to the Board in January.

Public comment: None

Motion to recommend a conditional rate and budget adjustment to the Fiscal Year 2017-18 budget as outlined in Item 4 by CM Mattinson  
Second: CM Williamson  
Motion approved: 6-0-0

**IV. COMMITTEE MEMBER ANNOUNCEMENTS**

Committee Member Nicholls thanked staff and the Board for adopting the

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\$1 million contribution for fire relief.

**V. ADJOURN**

Chair Dowd adjourned the meeting at 10:47 a.m.

Respectfully Submitted,

Braiden Gugel  
Executive Assistant



## Staff Report – Item 02

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To: Sonoma Clean Power Authority Board of Directors

From: Stephanie Reynolds, Director of Internal Operations  
Geof Syphers, CEO

Issue: Operations Report

Date: January 16, 2018

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### **RATES AND FEE UPDATE**

Ordinarily, PG&E makes significant changes to its generation rates and Power Charge Indifference Adjustment (PCIA) fees on January 1 each year as part of the ERRA proceeding at the CPUC. However, on December 8<sup>th</sup>, PG&E submitted a request to the CPUC to defer their 2018 Annual Electric True-Up from January 1<sup>st</sup>, 2018 to March 1<sup>st</sup>, 2018. On December 14<sup>th</sup> that request was granted.

This delay was likely due, at least in part, to PG&E's submission of a new set of testimony and work papers as part of their "November Update" to the PCIA and other rates. PG&E filed a motion to introduce corrected evidence regarding the value of green attributes in the portfolio after Sonoma Clean Power pointed out that PG&E was using two-year-old data from a website which is no longer available. SCP opposed the motion to introduce new evidence without allowing parties the right to cross-examine witnesses and evaluate new testimony. However, PG&E's motion and accompanying true-up were ultimately approved.

Now, the challenge for SCP is to protect customers from increased rates, as implementing this change later in the year means customers will be subjected to paying a higher PCIA at some point. The Commission recently determined that the two months of uncollected PCIA fees would be made up throughout 2019.

As a result, the SCPA Board's decision to authorize a set of rate changes for SCP customers (if needed) following PG&E's published rates remains a good approach,



and staff continue to estimate that no adjustment will be needed to maintain at least 1% savings on total electric charges for all common rate classes.

## **NEW SCP TEAM MEMBERS**

SCP is proud and excited to announce three new team members!

Dora Barrera is our new Administrative Assistant. She is a graduate of University of the Pacific with a BS in Business Administration and Marketing, and has been working with the SCP team on a temporary basis since August 2017. She will be working with Stephanie Reynolds and our Clerk of the Board to keep things running smoothly and helping with Customer Service, Programs and Procurement, as needed.

Claudia Sisomphou is our new Communications Coordinator, a recent Sonoma State Graduate with her BA in Environmental Studies and Planning. She will be working with our Marketing team on outreach, events, social media platforms and many other tasks.

Connor Prince is our new Programs Intern. Connor is another recent Sonoma State grad, with his BA in Environmental Studies with a focus in Energy Management and Design. He will be working with our Programs team on the brainstorming, implementation and tracking of SCP programs.

## **ORIENTATION FOR NEW MEMBERS OF THE COMMUNITY ADVISOR COMMITTEE**

Every two years, we welcome some new members to our citizen advisory committee. At the January meeting, new CAC members will be sworn in by the Clerk of the Board. Each incoming member has been offered the opportunity to meet with the CEO and Internal Operations Director for a brief history of and orientation to SCP.

## **WILDFIRE RECOVERY EFFORTS & REGIONAL HOUSING**

SCP continues to work with the County of Sonoma and the City of Santa Rosa on recovery efforts, setting up meetings with senior staff of state agencies at Housing, Treasury, the CEC, the Governor's office, PG&E and neighborhood group leaders from among the fire survivors. Work to date has involved pursuing funding to support



energy efficiency, renewable energy, electric vehicle infrastructure for both replacement housing areas as well as new housing throughout the region.

## **DRIVE EVERGREEN PROGRAM FINALE**

As of December 15<sup>th</sup>, the final day for dealerships to provide rebate certificates and information to SCP, 565 Electric Vehicles were purchased or leased through the Drive EverGreen program in 2017. This is an amazing number and brings the total number of electric vehicles either leased or purchased by SCP customers to 771 in the last 15 months - an approximate 22% increase of the number of EVs in our service area. SCP has helped customers save millions in total costs and increased sales tax revenues which benefit our local economy.

This is a huge victory!

As more of our friends, families and co-workers drive electric vehicles and the range of new models increases, the barriers of range-anxiety, lack of dealer knowledge, and fears of the unknown are diminishing. The results of the second Drive EverGreen program shows a shift in opinion by its success. It is undecided if SCP will go for a third Drive EverGreen program in 2018, as infrastructure may be more important. The federal tax credit for 2018 survived the federal tax overhaul, but is limited to the first 200,000 electric cars sold by each automaker. A full analysis of the program will be presented to the Board in the spring.

At the January Board of Directors meeting, there was discussion on whether or not to continue the program into 2018. Board members were very supportive of bringing the program back, but staff are still unclear on the ability to continue to cause major market transformation (e.g., through continuing to double the participation). Programs will be working on possible ways to modify the program and will be bringing that discussion back to the Committee and Board.

## **ENERGY EDUCATION PROGRAM STATUS UPDATE**

SCP currently contracts with the Sonoma County Water Agency to provide energy-related education to local students. The energy component will be integrated into their current water education program, which has been developed over many years. The energy component has successfully been integrated into their 5<sup>th</sup> grade program.



The Water Agency recently completed a Climate literacy/change workshop on December 2nd with 30 teachers. They partnered with NOAA's Cordell Banks team and the Center for Climate Protection. ZunZun, a musical assembly program, has completed 8 assemblies with 17 additional scheduled. Energy efficiency is a core component of the program.

Work for other grades include: A newly designed 3rd grade classroom program. This will launch in January and reach approximately 2,500 students in Sonoma County. The one-hour lesson will focus on climate change. A new 4th grade program with over 1,500 students signed up in Sonoma County.

Outreach to engage Mendocino County schools is also underway. No Mendocino County schools are signed up for the program yet. For the 4th grade program a separate flyer was created and distributed to each school in Mendocino County and each principal was called to ensure they received the flyer. Next steps include attending a teacher workshop in Mendocino County to educate about the program. A video is also being developed documenting how well received the program is in Sonoma County. This video will be sent to Mendocino County teachers.

## **MONTHLY COMPILED FINANCIAL STATEMENTS**

The complete financial impact of the fires that affected our region are not fully known at this time. These financial statements were prepared using the best available information at the time.

November marks the first month of the winter rate season, a period where aggregate rates are less than in the summer season. During this period we expect tighter margins on sales. The year-to-date growth in net position is above projections due primarily to greater than anticipated energy sales. Year-to-date operating revenues reached 79,468,000.

Electricity sales (as reported on the Statement of Revenues, Expenses and Changes in Net Assets) is being offset by our estimate of uncollectible accounts, which is currently set at approximately 0.5% of electricity sales. As historical data is gathered on the collection patterns specific to SCP customers, this rate will be revisited and adjusted as necessary. Note that the accounts receivable line on the Statement of Net Position is presented net of allowance for uncollectibles.

SCP continues to procure electricity from multiple sources. Included in these purchases is energy that is being re-sold to other resellers. Net position increased to a positive \$72,737,000, which indicates healthy growth as SCP continues to make



progress towards its reserve goals. Of this net position, approximately \$42,245,000 and \$7,455,000 is considered set aside for operating and project reserves, respectively.

Overall, other operating expenses continued near or slightly below planned levels for the year.

### **BUDGETARY COMPARISON SCHEDULE**

The accompanying budgetary comparison includes the 2017/18 budget approved by the Board of Directors in May 2017, and amended in November 2017.

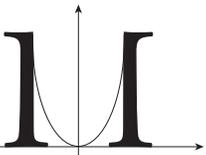
The budget is formatted to make comparisons for both the annual and the year-to-date perspective. The first column, 2017/18 YTD Budget, allocates the Board approved annual budget at expected levels throughout the year with consideration for the timing of additional customers, usage volumes, staffing needs etc. This column represents our best estimates and this granular approach was not part of the Board approved budget.

Revenue from electricity sales to customers exceeded year-to-date budget by approximately 5%.

The cost of electricity is around 104% of budget-to-date. Variation in this account is typically due to fluctuating market cost of energy on open position purchases.

Major operating categories of Data Management fees and PG&E Service fees, which are tied to the customer account totals, are closely aligned to the annual budgeted amount.

In addition to the items mentioned above, SCP continues its trend of remaining near or under budget for most of its operating expenses.



## ACCOUNTANTS' COMPILATION REPORT

Management  
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of November 30, 2017, and the related statement of revenues, expenses, and changes in net position, and the statement cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

*Maher Accountancy*

San Rafael, CA  
December 28, 2017



# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of November 30, 2017

### ASSETS

Current assets	
Cash and cash equivalents	\$ 57,238,011
Accounts receivable, net of allowance	17,087,730
Other receivables	33,384
Accrued revenue	7,036,171
Prepaid expenses	199,028
Deposits	484,563
Total current assets	<u>82,078,887</u>
Noncurrent assets	
Capital assets, net of depreciation	221,638
Deposits	4,114,666
Total noncurrent assets	<u>4,336,304</u>
Total assets	<u>86,415,191</u>

### LIABILITIES

Current liabilities	
Accounts payable	412,530
Accrued cost of electricity	12,094,352
Other accrued liabilities	604,664
User taxes and energy surcharges due to other governments	416,910
Total current liabilities	<u>13,528,456</u>
Noncurrent liabilities	
Supplier security deposits	<u>150,000</u>
Total liabilities	<u>13,678,456</u>

### NET POSITION

Net investment in capital assets	221,638
Unrestricted	<u>72,515,097</u>
Total net position	<u>\$ 72,736,735</u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**July 1, 2017 through November 30, 2017**

**OPERATING REVENUES**

Electricity sales, net	\$ 79,468,275
Evergreen electricity premium	154,684
Electricity sales for resale	336,150
Total operating revenues	<u>79,959,109</u>

**OPERATING EXPENSES**

Cost of electricity	61,053,724
Staff compensation	1,168,253
Data manager	1,328,844
Service fees - PG&E	500,238
Consultants and other professional fees	611,082
Legal	106,977
Communications	704,088
General and administration	275,095
Program rebates and incentives	1,358,662
Depreciation	23,797
Total operating expenses	<u>67,130,760</u>
Operating income	<u>12,828,349</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest income	143,742
Charitable contributions	(140,000)
Total nonoperating revenues (expenses)	<u>3,742</u>

**CHANGE IN NET POSITION**

	12,832,091
Net position at beginning of period	<u>59,904,644</u>
Net position at end of period	<u>\$ 72,736,735</u>

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS July 1, 2017 through November 30, 2017

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 79,800,614
Receipts from electricity sales for resale	487,077
Receipts from supplier security deposits	2,325,000
Tax and surcharge receipts from customers	1,051,689
Payments to purchase electricity	(60,814,133)
Payments for staff compensation	(1,234,122)
Payments for contract services	(2,465,528)
Payments for communications	(716,191)
Payments for general and administration	(461,149)
Payments for program rebates and incentives	(1,427,162)
Return of security deposits to suppliers	(4,650,000)
Tax and surcharge payments to other governments	(1,099,868)
Net cash provided (used) by operating activities	<u>10,796,227</u>

### CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Deposits and collateral paid	(562,602)
Payments for charitable contributions	(140,000)
financing activities	<u>(702,602)</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(63,238)</u>
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### CASH FLOWS FROM INVESTING ACTIVITIES

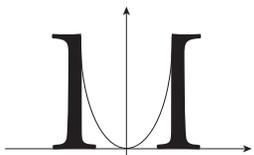
Return of certificate of deposit	7,028,428
Interest income received	143,742
Net cash provided (used) by investing activities	<u>7,172,170</u>

Net change in cash and cash equivalents	17,202,557
Cash and cash equivalents at beginning of year	40,035,454
Cash and cash equivalents at end of period	<u>\$ 57,238,011</u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF CASH FLOWS (continued)**  
**July 1, 2017 through November 30, 2017**

**RECONCILIATION OF OPERATING INCOME TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 12,828,349
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	23,797
Revenue reduced for uncollectible accounts	400,117
(Increase) decrease in net accounts receivable	(1,871,866)
(Increase) decrease in other receivables	150,793
(Increase) decrease in accrued revenue	1,657,309
(Increase) decrease in prepaid expenses	(152,237)
(Increase) decrease in current deposits	(45,607)
Increase (decrease) in accounts payable	(322,712)
Increase (decrease) in accrued cost of electricity	(700,456)
Increase (decrease) in accrued liabilities	1,209,824
Increase (decrease) in user taxes and energy surcharges due to other governments	(56,084)
Increase (decrease) in supplier security deposits	(2,325,000)
Net cash provided (used) by operating activities	<u>\$ 10,796,227</u>



## ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
Sonoma Clean Power Authority

Management is responsible for the accompanying special purpose statement of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended November 30, 2017, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of SCP.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the special purpose budgetary comparison statement, they might influence the user's conclusions about the Authority's results of operations. Accordingly, this special purpose budgetary comparison statement is not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

*Maher Accountancy*

San Rafael, CA  
December 28, 2017



**SONOMA CLEAN POWER AUTHORITY**  
**OPERATING FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**July 1, 2017 through November 30, 2017**

	2017/18 YTD Amended Budget	2017/18 YTD Actual	2017/18 YTD Budget Variance (Under) Over	YTD Actual/ Budget %	2017/18 Amended Budget	2017/18 Budget Remaining
<b>REVENUE AND OTHER SOURCES:</b>						
Revenue - Electricity (net of allowance) *	\$ 75,660,763	\$ 79,468,275	\$ 3,807,512	105%	\$ 166,269,950	\$ 86,801,675
Revenue - Evergreen Premium (net of allowance)	111,532	154,684	43,152	139%	245,100	90,416
Revenue - Electricity sales for resale **	-	336,150	336,150	-	-	(336,150)
Revenue - Interest income	132,917	143,742	10,825	108%	319,000	175,258
Total revenue and other sources	<u>75,905,212</u>	<u>80,102,851</u>	<u>4,197,639</u>	<u>106%</u>	<u>166,834,050</u>	<u>86,731,199</u>
<b>EXPENDITURES AND OTHER USES:</b>						
<b>CURRENT EXPENDITURES</b>						
Cost of energy and scheduling	58,613,501	61,053,724	2,440,223	104%	139,339,530	78,285,806
Data management	1,297,793	1,328,844	31,051	102%	3,114,703	1,785,859
Service fees- PG&E	496,428	500,238	3,810	101%	1,191,427	691,189
Personnel	1,387,500	1,168,253	(219,247)	84%	3,330,000	2,161,747
Outreach and communications	396,250	444,960	48,710	112%	951,000	506,040
Customer service	197,500	127,909	(69,591)	65%	474,000	346,091
Legal	154,167	106,977	(47,190)	69%	370,000	263,023
Accounting and auditing	80,833	80,575	(258)	100%	194,000	113,425
Technical consultants	145,833	23,723	(122,110)	16%	350,000	326,277
Legislative consultants	95,833	32,500	(63,333)	34%	230,000	197,500
Other consultants	89,583	126,940	37,357	142%	215,000	88,060
Program implementation and development	2,500,000	1,843,829	(656,171)	74%	6,000,000	4,156,171
General and administration	206,250	268,491	62,241	130%	495,000	226,509
Fire relief donations	247,500	140,000	(107,500)	57%	1,000,000	860,000
Total current expenditures	<u>65,908,971</u>	<u>67,246,963</u>	<u>1,337,992</u>	<u>102%</u>	<u>157,254,660</u>	<u>90,007,697</u>
<b>OTHER USES</b>						
Collateral deposit payments	2,000,000	562,602	(1,437,398)	28%	2,000,000	1,437,398
Capital outlay	68,333	63,239	(5,094)	93%	164,000	100,761
Total expenditures, Other Uses and Debt Service	<u>67,977,304</u>	<u>67,872,804</u>	<u>(104,500)</u>	<u>100%</u>	<u>159,418,660</u>	<u>91,545,856</u>
Net increase (decrease) in available fund balance	<u>\$ 7,927,908</u>	<u>\$ 12,230,047</u>	<u>\$ 4,302,139</u>	<u>154%</u>	<u>\$ 7,415,390</u>	<u>\$ (4,814,657)</u>

\* Represents sales of approximately 941,000 MWh for 2017/18 YTD actual.

\*\* Electricity sales for resale is the result of sales to other utilities for resale purposes.

RESERVES	Balance
Operating Cash Reserve	\$ 42,245,162
Program Cash Reserve	7,455,029
	<u>\$ 49,700,191</u>

**SONOMA CLEAN POWER AUTHORITY**  
**OPERATING FUND**  
**BUDGET RECONCILIATION TO STATEMENT OF**  
**REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**July 1, 2017 through November 30, 2017**

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 12,230,047
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(23,797)
Add back capital asset acquisitions	63,239
Add back collateral deposits	<u>562,602</u>
Change in net position	<u>\$ 12,832,091</u>



### Staff Update – Item 3

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To: Sonoma Clean Power Authority Board of Directors

From: Katherine Brandenburg, Lobbyist  
Kate Kelly/Director, Public Affairs & Marketing  
Neal Reardon, Regulatory Affairs Manager

Issue: Legislative and Regulatory Updates

Date: January 16, 2018

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#### **Legislative Update**

When the Legislature returns to Sacramento on January 3<sup>rd</sup>, the Assembly will be missing two of its members. Both Assembly Members Matthew Dababneh (Assembly District 45) and Raul Bocanegra (Assembly District 39) resigned during the interim due to sexual harassment allegations. The Governor has announced a Special Election for Assembly District 39 which will be held on June 5, 2018. Thus the primary for the Special Election will be on April 3, 2018. Governor Brown has yet to announce when a Special Election will be held for Assembly District 45.

Last week, the Senate Democratic Caucus announced that it has decided to elect Senator Toni Atkins as its next President pro Tempore. The formal vote will be taken in early January. Senator Atkins is from San Diego, served as the Speaker of the Assembly from 2014 to 2016, and will be the first woman to be elected to lead the California State Senate.

#### **Federal Tax Cuts and Jobs Act**

Last month, SCP sent letters to its Congressional representatives asking for their assistance in lobbying their colleagues in keeping the electric vehicle tax credit. As



you know, SCP's Drive EverGreen program was successful, in part due to the federal tax credit for plug-in electric drive motor vehicles.

Early versions of the legislation would have repealed the tax credit for plug-in electric drive motor vehicles. Fortunately, the repeal of the tax credit was not in the final draft. We appreciate all of the help our Congressional representatives provided in keeping this very beneficial program.

### **California Air Resources Board**

The California Air Resources Board (ARB) unanimously approved the 2017 Climate Change Scoping Plan. The Scoping Plan sets the state on an ambitious course to reduce climate-changing gases an additional 40 percent below 1990 levels by 2030 as articulated in SB 32 (Pavley). The Scoping Plan will require California to double the rate at which it has been cutting climate-changing gases. Below are a few of the programs the Scoping Plan recognizes:

- *More Clean Cars and Trucks:* The plan sets out far-reaching programs to incentivize the sale of millions of zero-emission vehicles, drive the deployment of zero-emission trucks, and shift to a cleaner system of handling freight statewide.
- *Increased Renewable Energy:* ARB states that California's electric utilities are ahead of schedule meeting the requirement that 33 percent of electricity come from renewable sources by 2020. The Scoping Plan guides utilities to 50 percent renewables, as required under SB 350 (de Leon).
- *Slashing Super-Pollutants:* The Scoping Plan calls for a significant cut in super-pollutants such as methane and HFC refrigerants, which are responsible for as much as 40 percent of global warming.
- *Cleaner Industry and Electricity:* California's renewed cap-and-trade program extends the declining cap on emissions from utilities and industries and the carbon allowance auctions. The auctions will continue to fund investments in clean energy and efficiency, particularly in disadvantaged communities.
- *Cleaner Fuels:* The Low Carbon Fuel Standard will drive further development of cleaner, renewable transportation fuels to replace fossil fuels.



- *Smart Community Planning:* Local communities will continue developing plans which will further link transportation and housing policies to create sustainable communities.
- *Improved Agriculture and Forests:* The Scoping Plan also outlines innovative programs to account for and reduce emissions from agriculture, as well as forests and other natural lands.
- *Reduction of Smog-Causing Pollutants:* The Scoping Plan also evaluates reductions of smog-causing pollutants through California's climate programs. AB 617 (C. Garcia) provides the groundwork for new and enhanced efforts to identify and reduce air pollutants and air toxics with a specific focus on communities near the state's largest emitters and in communities disproportionately impacted by pollution.

## **Regulatory Update**

### Power Charge Indifference Adjustment (PCIA)

SCP staff continue a concerted effort to develop reforms to the PCIA. Every Thursday regulatory staff from multiple CCAs, CalCCA technical consultants and legal representatives meet in San Francisco for a 5-hour strategy session. The key criteria for evaluating alternatives include to reduce overall cost, to reduce stranded assets, to facilitate voluntary CCA access to IOU data and portfolio assets, to prevent cost shifts between bundled and CCA customers, to provide IOUs with meaningful incentives or guidance to mitigate cost impacts, to eliminate an administrative determination of asset value, to eliminate reliance on spot market prices, and to be feasible for implementation in 2019.

On January 16<sup>th</sup> and 17<sup>th</sup>, the CPUC will host a two-day workshop to hold a data-based discussion of the PCIA and potential alternatives. CalCCA has made significant progress gaining access to the underlying contract information, forecasts, and assumptions that the utilities use in calculating the PCIA. The IOUs are in the process of aggregating and uploading relevant information, which certain SCP staff and staff from other CCAs will have access to via a non-disclosure agreement. The intent of this is to enable CCA staff to develop improvements and/or alternatives to the current PCIA which will be submitted to the CPUC in March. A Proposed Decision on the PCIA is expected in July of 2018.



### Renewable Portfolio Standard (RPS) Proceeding

On December 14<sup>th</sup>, the Commission issued a Decision directing IOUs to forego solicitations to procure more RPS resources, and authorized IOUs to sell unneeded resources. The terms of those sales are longer than they have been in the past: PG&E and SCE are authorized to sell for terms up to five years, while SDG&E is authorized to sell for terms up to ten years. SCP advocated unsuccessfully that all IOUs should be able to sell with ten-year terms. However, the recognition that IOUs are over-resourced for RPS and the authorization to protect ratepayers by selling longer-term strips of energy is still a significant shift in Commission policy.

### PG&E ERRA Forecast Proceeding

The Energy Resource Recovery Account (ERRA) forecast proceedings are annual proceedings at the Commission that sets the level of generation and PCIA rates for PG&E and the other IOUs for the coming calendar year. The purpose of the ERRA Forecast Proceeding is not to dispute the method by which the PCIA is calculated, but rather the actual calculation itself. Normally, rate adjustments are approved in December and go into effect January 1 of the following year. This year, PG&E received approval of their request to adjust rates later in the year – March 1 instead of January. The result is that the 2018 PCIA increase will be collected from March-December of 2018, with the two months of under-collections amortized over 2019. So beginning in January of 2019, customers will pay a fraction of the 2018 PCIA increase as well any changes to the 2019 PCIA.

### Integrated Resource Planning (IRP) Proceeding

On December 28<sup>th</sup>, the CPUC released a much-anticipated Proposed Decision detailing the future procurement and planning processes at the CPUC. The Commission argued that their authority over CCAs is very similar to their authority over IOUs, stating “[our] authority extends even further than even the IOUs argue... statutory language gives the Commission considerable authority over some aspects of CCA procurement, not just planning.” All LSEs must file IRPs this Spring. On a positive note, the Commission did not propose to require mandatory procurement of renewables in the near-term as many developers had been urging. CalCCA filed comments on January 11<sup>th</sup> noting regulatory and legal problems with the Proposed Decision.



## Staff Report – Item 04

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To: Sonoma Clean Power Authority Board of Directors

From: Geof Syphers, CEO  
Kathrine Brandenburg, Lobbyist

Item: Review draft legislative platform and provide direction

Date: January 16, 2017

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### **Requested Actions**

Receive a report on a draft legislative platform, provide direction to staff and a recommendation to the Board.

### **Background**

The Board requested staff to prepare a legislative platform to help inform and govern SCP's engagement in the legislature. Because so many actions in the legislature require the taking of a position or modification of a position on very short notice, a legislative platform is valuable to direct staff on the categories of actions staff should take and the categories where staff should wait to obtain direction from the board before taking action.

A draft legislative platform was presented to the Board in December, and this report contains a proposed legislative platform with input from the Board and the community. After the committee's review, staff will bring a proposal final version to the Board for adoption.

## **Proposed SCPA Legislative Platform**

Sonoma Clean Power supports legislation that protects and fosters CCAs within the State of California and benefits our customers. SCP opposes unnecessary administrative burdens on CCAs and policy which runs counter to our objectives. Sonoma Clean Power's legislative efforts are guided by the following principles:

### **1. Customer Equity, Rates and Nonbypassable Charges**

Support legislation that would provide transparency into the PCIA and all nonbypassable charges, fairly allocate costs among customer classes, and minimize total customer costs.

### **2. Procurement Obligation and Local Government Oversight**

Defend the obligations and authority of CCA's local governing Boards of Directors to make decisions about sources of electricity, customer programs, and distributed energy resources.

### **3. Climate and Renewable Sources**

Support the decrease in use of fossil sources of electricity by all available means, including through increasing use of renewable energy in the Renewable Portfolio Standard, load management, storage and improved reliance on existing hydropower. Support accurate reporting and labeling of greenhouse gas emissions, and oppose efforts to mischaracterize emissions.

### **4. Strong Markets and Local Power**

Support strong energy markets to ensure customers have access to the least cost energy available, including through ISO regionalization so long as California's environmental rules can be enforced. Support legislation that properly values local resources, such as customer-owned renewable generation and batteries. Oppose efforts to devalue energy imported from outside California.

### **5. Electrification and Efficiency of Buildings**

Support fuel shifting from natural gas, propane and wood to electricity. Support building standards and retrofit funding for targeted energy efficiency to reduce building energy usage, particularly at times-of-day and seasons when emissions or costs are high. Support efforts to go beyond "net zero energy" and refocus energy code requirements on emissions.

## **6. Transportation Electrification**

Support legislation that provides incentives for electric vehicles and funding for charging stations, CCA access to low-carbon fuel standard credits, CCA management of infrastructure funds in cooperation with other local agencies, and the broad promotion of electric vehicles and electric transit.

## **7. Rebuilding and Renewal**

Support legislation that enables financing, investment, grants and incentives to aid in both rebuilding burned structures as well as adding housing and employment opportunities throughout SCP's territory. While SCP will not be the lead agency on these efforts, we will play a strong supportive role.



## Staff Report – Item 05

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To: Sonoma Clean Power Community Advisory Committee

From: Cordel Stillman, Director of Programs

Issue: Sonoma Clean Power Programs Section – Strategic Action Plan

Date: January 16, 2018

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### **Requested Committee Action:**

Receive the Program Section's Strategic Action Plan (Plan) and provide input prior to the Plan being presented to the Board of Directors.

### **Background:**

At the July 11, 2017 CAC meeting, the Committee provided input on the overarching Strategies that the Programs Section should pursue. Working with the CAC ad hoc Committee and SCP staff, the Programs Section has fleshed out a Strategic Action Plan. The programs outlined in the Plan have been grouped into three Action categories based on a set of selection criteria. It is anticipated that the Plan will be updated every six months to allow for timely reaction to changing conditions. The Plan will be posted to the SCP website to provide the public an opportunity to review.

Staff are also seeking input on the Plan prior to presenting the Plan to the Board of Directors.



Local. Renewable. Ours.

**Sonoma Clean Power Programs Group  
Strategic Action Plan**

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## Acronyms

**BAAQMD** – Bay Area Air Quality Management District  
**BayREN** – Bay Area Regional Energy Network  
**CAISO** – California Independent System Operator  
**CCP** – Center for Climate Protection  
**CSE** – Center for Sustainable Energy  
**CTE** – Career Technical Education Foundation  
**CPUC** – California Public Utilities Commission  
**DEV**- Drive EverGreen  
**DRRS** – Demand Response Reporting System  
**DNV-GL** – An energy efficiency consultant  
**DIY** – Do it Yourself  
**eMW** – Electric Motor Werks  
**EM&V** – Evaluation, Measurement and Verification  
**EV** – Electric Vehicle  
**GHG** – Greenhouse Gasses  
**HVAC** – Heating, Ventilation and Air Conditioning  
**JPA** – Joint Powers Authority  
**MCE** – Marin Clean Energy  
**NCBE** – North Coast Builders Exchange  
**NEM** – Net Energy Metering  
**NRDC** – Natural Resources Defense Council  
**MW** – Megawatt  
**PG&E** – Pacific Gas and Electric  
**RCPA** – Regional Climate Protection Authority  
**SCP** – Sonoma Clean Power  
**SCTA** – Sonoma County Transportation Authority  
**SCWA** – Sonoma County Water Agency  
**TNC** – Transportation Network Company (Uber, Lyft)  
**ZNE** – Zero Net Energy

## Executive Summary

Sonoma Clean Power is enabled by a Joint Powers Agreement (JPA) which states the following as purposes for entering into the Agreement:

- a) Reducing greenhouse gas emissions 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 total energy consumption;
- d) Stimulating and sustaining the local economy, including by developing or promoting local distributed energy resources; and
- e) Promoting long-term electric rate stability, energy security, reliability, and resilience

The purpose of this document is to supply a road map for the SCP Programs Section by clearly identifying strategies and the actions needed to accomplish those strategies. This plan will facilitate the Programs Section in efficiently accomplishing its' mission. In addition to an overall program road map, this document will also attempt to prioritize individual actions based on available resources, regulatory constraints and other areas of uncertainty. Each of the strategies identified in this plan will refer to one or more of the purposes identified in the JPA.

## Program Strategies and Levels of Action

This plan identifies eight program strategies:

- |                     |  |
|---------------------|--|
| Program Strategy 1. | Promote the Use of Electric Vehicles in Transportation                     |
| Program Strategy 2. | Promote Fuel Switching in New and Existing Buildings                       |
| Program Strategy 3. | Identify and Apply for External Funding to Support Programs                |
| Program Strategy 4. | Promote the Aggregation of Loads and Resources                             |
| Program Strategy 5. | Support the Integration of Distributed Energy Resources in SCP's Territory |
| Program Strategy 6. | Determine How Best to Add Storage to SCP's ProFIT Program                  |
| Program Strategy 7. | Support the Transition to Zero Net Energy Building Codes and Practices     |
| Program Strategy 8. | Test and Evaluate the Use of New Technologies                              |
| Program Strategy 9. | Promote Public Education Involving Energy Efficiency and Fuel Switching    |

This plan identifies three levels of action:

Immediate Action: Ongoing or to be initiated within the next year:	Near Term Action: To be initiated within one to three years:	Long-term Action: No defined start date for action, likely longer than three years:
<ol style="list-style-type: none"> <li>1. Required by regulatory or other deadlines;</li> <li>2. Other strategies or actions are dependent on outcome;</li> <li>3. Achievable in the near-term;</li> <li>4. Funding and resources are available.</li> </ol>	<ol style="list-style-type: none"> <li>1. Anticipated, yet not immediate, deadline;</li> <li>2. Funding is proposed;</li> <li>3. Necessary for planning and development of long-term actions.</li> </ol>	<ol style="list-style-type: none"> <li>1. Not enough information to proceed at this time;</li> <li>2. Lower priority;</li> <li>3. Funding not available</li> </ol>

## Significant Progress

SCP has implemented the following activities in the Programs Section:

- 1) The **Drive EverGreen 2.0** program which incentivized the purchase or lease of 565 electric vehicles in a 16-week timeframe. This is in addition to the 207 vehicles purchased or leased in Drive EverGreen 1.0, for an overall total of 772 vehicles.
- 2) The **CleanCharge** program which resulted in the shipment of 1533 (as of 01/05/18) electric vehicle charging stations to SCP customers in its first year and is the genesis of a locally controlled demand response program.
- 3) The **SWITCH** electric vehicle education program which placed 5 electric kit cars in local high schools to educate students about the manufacture and maintenance of EV's.
- 4) **ProFIT**, a feed in tariff program designed to promote medium-sized solar installations in Sonoma and Mendocino counties that has resulted in six contracts to build approximately 6 MW.
- 5) A net energy metering program called **NetGreen** which has resulted in payments of \$1.4M+ to 2,900 SCP customers who have produced excess local renewable energy.
- 6) **Do-It-Yourself Energy and Water Saving Toolkits** which include basic energy and water efficiency tools and products that have been placed in almost all Sonoma County libraries. The 30 toolkits in circulation can be checked out just like a book and have proven to be very popular.

## New Actions

SCP is including the following new activities in the plan:

- 1) A continuation of the successful CleanCharge Program
- 2) Implementation of a workplace charging program designed to place 20-30 chargers at strategically located employment centers.
- 3) Completion of a market analysis determining the potential for heat pump water heaters in the SCP service territory.
- 4) Development of an on-bill financing mechanism to simplify residential and commercial customers in upgrading energy efficiency retrofits to their buildings.
- 5) Incentivize the use of electric vehicles by local non-profit organizations.
- 6) Exploration of the potential of a program to promote energy efficiency in the indoor agricultural industry.
- 7) Implementation of a Demand Response program for SCP customers.
- 8) Implementation of an education program targeted at school age youth in SCP territory.
- 9) Implementation of a Demand Charge Reduction Program for local businesses by connecting likely participants with battery storage providers.
- 10) Development of a program to incentivize residential storage applications in response to “time of use” pricing.

# Program Strategy One

(PS1)

## Promote the Use of Electric Vehicles in Transportation

This strategy fulfills the following goals of SCP's JPA:

- a) *Reducing greenhouse gas emissions in Sonoma County and neighboring regions and;*
- d) *Stimulating and sustaining the local economy.*

### Immediate Action One:

#### Implement Drive Evergreen Phase 2

**Project:** Drive EverGreen Phase 2

**Status:** Phase 2 of Drive EverGreen was active until November 30, 2017. A full evaluation of the program will be published in April 2018.

**Involved Parties:** CSE, RCPA, Local Car Dealerships

### Immediate Action Two:

#### Implement Workplace Charging Program

**Project:** Develop workplace charging program

**Status:** Contract with CSE has been executed for program management. Site host analysis is currently underway to evaluate the costs and benefits of installing up to 30 Level 2 charging stations at each site.

**Involved Parties:** CSE, RCPA, County of Sonoma, Medtronic, Basin Street Properties, Santa Rosa Junior College, Graton Resort and Casino

### Immediate Action Three:

#### Continue to Implement CleanCharge

**Project:** Provide free charging stations to eligible SCP customers

**Status:** Contract with eMotorWerks in place to continue free charging station program through June 2018.

**Involved Parties:** eMotorWerks

### Immediate Action Four:

#### Promote the use of Electric Vehicles in Commuting

**Project:** Electric Commute

**Status:** In discussion with RCPA and Rusty Klassen regarding use of electric vehicles for commute purposes.

**Involved Parties:** RCPA, Rusty Klassen

#### Immediate Action Five:

Provide electric mobility solutions for local non-profits

**Project:** Identify local non-profits that provide transportation services and incentivize their use of electric vehicles

**Status:** A list of potential non-profits has been created and outreach has begun to gauge interest.

**Involved Parties:** RCPA, local non-profits

#### Near Term Action One:

Promote the use of Electric Vehicles in TNC operations

**Project:** Develop incentive program for TNC drivers

**Status:** Discussions are underway on how best to incentivize drivers to use EV's when driving for TNC's,

**Involved Parties:** RCPA, Uber, Lyft, Rusty Klassen

#### Near Term Action Two:

Promote the use of Electric Vehicles in taxi companies

**Project:** Develop incentive program for taxi drivers

**Status:** Discussions are underway on how best to incentivize taxi companies to use EV's.

**Involved Parties:** RCPA, Rusty Klassen, Pure Luxury Limo

#### Near Term Action Three:

Investigate Expansion of CleanCharge Program to Multifamily Properties

**Project:** Develop incentive program/resources for multifamily property owners and residents interested in installing charging stations. Serve as a single point of contact in directing larger properties (capable of hosting 20+ chargers) to PG&E program.

**Status:** Contract has been executed with CSE to provide technical oversight for the program. An RFP was issued to select program vendor(s), with 14 responses submitted.

**Involved Parties:** BayREN, PG&E, eMotorWerks, CSE, BAAQMD

### Long Term Action One:

#### Promote the use of all Electric Autonomous Vehicles in SCP Territory

**Project:** Develop relationships with autonomous vehicle developers and work closely with them to develop services within the SCP service area.

**Status:** In concept phase

**Parties Involved:** Rusty Klassen, RCPA, Uber, Lyft

### Long Term Action Two:

#### Foster electric vehicle adoption in low-income multifamily properties

**Project:** Collaborate with low-income multifamily developers and stakeholders to identify structures that will promote adoption of electric vehicles in this difficult market sector.

**Status:** In concept phase

**Parties Involved:** Rusty Klassen, RCPA

### Long Term Action Three:

#### Substitute heavy duty electric vehicles for public transit and private delivery services

**Project:** Collaborate with public transportation agencies in all jurisdictions and private delivery companies to identify avenues in which SCP can assist in the adoption of heavy duty electric vehicles.

**Status:** In concept phase

**Parties Involved:** Rusty Klassen, RCPA, city and county transit agencies, private companies like UPS, FedEx, City of Santa Rosa

## Program Strategy Two

(PS2)

### Promote Fuel Switching in New and Existing Buildings

This strategy fulfills the following goals of SCP's JPA:

- a. *Reducing greenhouse gas emissions in Sonoma County and neighboring regions;*
- c. *Carrying out programs to reduce total energy consumption and;*
- d. *Stimulating and sustaining the local economy, including by developing or promoting local distributed energy resources.*

#### Immediate Action One:

Perform a Market Assessment within SCP territory on the Use of Grid-Integrated Heat Pump Water Heaters

**Project:** Contract for a Market Assessment. The market assessment will investigate potential program models, products, targeted marketing areas, and grid impacts of a heat pump, grid integrated, water heater program.

**Status:** A market assessment of heat pump water heaters was completed in December 2017.

**Involved Parties:** Tierra Resources, DNV-GL, CSE, Olivine, Rheem, AO Smith

#### Immediate Action Two:

Investigate Potential for an On-Bill Financing Program within SCP's Territory

**Project:** Hire a consultant to determine the feasibility of on-bill financing.

**Status:** A feasibility study was completed to analyze the potential for on-bill financing.

**Involved Parties:** Frontier Energy, Energy Efficiency Institute

#### Immediate Action Three:

Perform a Market Assessment of Indoor Agriculture in SCP Territory

**Project:** Work with customer service team to convene a working group of stakeholders in the indoor agriculture sector. Work with DNV GL to implement pilot projects looking at the potential for larger program offerings.

**Status:** A contract is underway with DNV GL to assist with pilot program development and implementation.

**Involved Parties:** DNV GL

### Near Term Action One:

Develop an Education Program around the use of Heat Pumps for HVAC and Water Heating

**Project:** Based on Market Assessment, develop an education program that will prepare contractors, retailers and the public on the advantages of using heat pump water heaters. Work with local supply houses to ensure product availability.

**Status:** SCP is working with parties below to develop a yearlong training calendar which includes education on heat pumps.

**Involved Parties:** CSE, Sonoma County, RCPA, MCE, PG&E

### Near Term Action Two:

Develop Tools and Program Models to Assist Property Owners in Better Understanding the Financial Impacts of Fuel Switching

**Project:** Develop a tool/program model that helps customers evaluate the potential for energy efficiency/fuel switching, electric vehicles, and solar photovoltaics over short and long terms.

**Status:** In concept phase.

**Involved Parties:**

### Long Term Action One:

Participate with Local Jurisdictions on Ordinances that Encourage Efficiency Upgrades in Local Buildings

**Project:** Develop standard “Reach Ordinances” that local jurisdictions can consider.

**Status:** SCP is working with Davis Energy Group to develop an all-electric reach code.

**Involved Parties:** Davis Energy Group, RCPA, SCTA, Local cities and towns

### Long Term Action Two:

Interface with the CPUC and Stakeholders on Review of the Three-Prong Test

**Project:** The CPUC’s three-prong fuel substitution test, developed in the 1990s, determines what fuel substitution projects can receive utility customer-funded energy efficiency incentives and support. Industry groups led by NRDC and the Sierra Club are seeking clarification on and potential changes to the test to allow more program activities that reduce the use of natural gas and propane.

**Status:** NRDC has filed a motion seeking review and modification of the test.

**Involved Parties:** NRDC, Sierra Club, CPUC

## Program Strategy Three

(PS3)

### Identify and Apply for External Funding to Support Programs

This strategy fulfills the following goals of SCP's JPA:

- c. *Carrying out programs to reduce total energy consumption and;*
- d. *Stimulating and sustaining the local economy, including by developing or promoting local distributed energy resources.*

#### Immediate Action One:

##### Monitor Existing Funding Channels for Potential Opportunities

**Project:** Monitor funding channels such as the DOE, CEC, CPUC, Air Districts, etc. for potential partnership opportunities.

**Status:** Ongoing. On November 30<sup>th</sup>, 2017, SCP applied for the CEC's EPIC Grant GFO 17-304, which is a \$10 million grant focused on doubling energy efficiency in existing buildings. The team was comprised of Sonoma Clean Power, as lead, with Frontier Energy and DNV-GL. The team's proposal focused on a series of applied research projects centered on emerging technologies and a physical Energy Marketplace, which would be a storefront partnership offering a regulated marketplace for energy products, training, and contractor referral. The marketplace would feature emerging technology and established energy savings items that Sonoma Clean Power customers could see, test, and directly procure. Additionally, the marketplace would feature a series on technology-related trainings for building inspectors, contactors, consumers, and energy consultants.

**Involved Parties:** Frontier Energy, DNV-GL

#### Near Term Action One:

##### Evaluate Cost-Effectiveness of Programs that Could Scale with CPUC Energy Efficiency Funds

**Project:** As a part of design and evaluation of any energy saving programs, calculate cost-effectiveness using CPUC metrics. Implementation of the CPUC metrics will assist the programs team evaluate which programs are good candidates for scaling using CPUC energy efficiency funds.

**Status:** Ongoing. A blanket contract for services has been negotiated with several consultants that specialize in evaluation, measurement, and verification (EM&V).

**Involved Parties:** DNV GL, Frontier Energy, Tierra Resources

## Program Strategy Four

(PS4)

### Promote the Aggregation of Loads and Resources

This strategy fulfills the following goals of SCP's JPA:

- b. Providing electric power and other forms of energy to customers at a competitive cost;*
- c. Carrying out programs to reduce total energy consumption;*
- d. Stimulating and sustaining the local economy, including by developing or promoting local distributed energy resources; and*
- e. Promoting long-term electric rate stability, energy security, reliability, and resilience.*

#### Immediate Action One:

Contract with Demand Response Technical Aggregators to Operate in SCP Territory

**Project:** Develop a standard contract that outlines the requirements for technical aggregators to operate in SCP territory. Identify aggregators that may be an appropriate fit for SCP customers.

**Status:** A contract with eMW has been developed to flesh out the relationships between SCP and a technical aggregator. This contract will be used as a template for relationships with other technology providers (thermostats, heat pump water heaters, battery storage, etc.)

**Involved Parties:** eMW, Olivine

#### Immediate Action Two:

Contract with a "Super" Aggregator to bundle Technical Aggregators to bid into the CAISO DRRS system

**Project:** Develop a contract with a "Scheduling Coordinator" to aggregate the "technical aggregators" operating in SCP territory and manage bidding of a demand response program into the CAISO DRRS. This process is necessary to ensure SCP remains in compliance, but also to maximize the value of the various resources available to the public.

**Status:** Contract is signed. Work is proceeding toward a CAISO market test in early 2018.

**Involved Parties:** Olivine, eMW

## Program Strategy Five

(PS5)

### Support the Integration of Distributed Energy Resources in SCP's Territory

This strategy fulfills the following goals of SCP's JPA:

- a. *Reducing greenhouse gas emissions in Sonoma County and neighboring regions;*
- b. *Providing electric power and other forms of energy to customers at a competitive cost;*
- d. *Stimulating and sustaining the local economy, including by developing or promoting local distributed energy resources; and*
- e. *Promoting long-term electric rate stability, energy security, reliability, and resilience*

#### Immediate Action One:

##### Continue Offering ProFIT

**Project:** ProFIT is SCP's Feed in Tariff program offering a fixed price for locally developed solar projects under 1MW. Applications are received on an on-going basis and are capped at approximately 6 MW of power.

**Status:** ProFIT has six developments under contract, two of which began construction in 2017. Five projects are expected to come online in 2018. The program is almost fully subscribed with enough budget for a system approximately 400 kW in size still available. SCP is evaluating whether there is room in our procurement plan for additional projects.

**Involved Parties:** Coldwell Solar, Sunniva Systems,

#### Immediate Action Two:

##### Support Solar Sonoma County in providing assistance to SCP customers installing on-site renewable generation

**Project:** Solar Sonoma County provides support to local residents who wish to install renewable energy systems. SSC provides impartial advice regarding siting, financing and contractor selection.

**Status:** Contract in place with CCP/Solar Sonoma County

**Involved Parties:** Solar Sonoma County, CCP

### Near Term Action One:

#### Determine How Best to Add Storage to SCP's ProFIT Program

**Project:** Develop a scope of work and solicit a consultant's proposal to determine the best practices necessary to incorporate energy storage into SCP's existing ProFIT program.

**Status:** No work completed to date

**Involved Parties:**

### Near Term Action Two:

#### Determine How Best to Integrate Small Scale Battery Storage

**Project:** Develop a scope of work and solicit a consultant's proposal to determine the best practices to incentivize and incorporate small scale battery storage into SCP's DER program, both to comply with the State's storage mandate and the support further reductions in GHG emissions.

**Status:** RFI circulated, currently evaluating respondents

**Involved Parties:**

### Near Term Action Three:

#### Demand Charge Reduction Program

**Project:** Develop a customer service program to identify clients with high demand charges. Customers would be educated regarding methods to reduce demand charges and given the option of being connected with companies who specialize in this area.

**Status:** An RFP has been circulated to battery storage firms who perform this type of work.

### Near Term Action Four:

#### Develop a Residential Battery Storage Program

**Project:** In cooperation with Customer Service, develop a residential battery storage program that is designed to offset any negative impacts of the switch to Time of Use billing.

**Status:** RFI circulated, currently interviewing respondents.

## Program Strategy Six

(PS6)

### Support the Transition to Zero Net Energy Building Codes and Practices

This Strategy fulfils the following goals of SCP's JPA:

- a. *Reducing greenhouse gas emissions in Sonoma County and neighboring regions;*
- c. *Carrying out programs to reduce total energy consumption and;*
- d. *Stimulating and sustaining the local economy*

#### Immediate Action Two:

##### Provide Assistance to Commercial Customers in Optimizing Energy Efficiency

**Project:** Enter into contracts with two consultants to provide assistance to Commercial customers in planning and implementing energy efficiency upgrades on an as-needed basis. Their services will be provided to Commercial customers as requested. Consultants will be selected to provide a broad base of experience in commercial energy efficiency.

**Status:** Contracts are executed. The customer service team is coordinating efforts with customers.

**Parties Involved:** Gilleran Energy Management, New Building Institute

#### Near Term Action One:

##### Model Development

**Project:** In cooperation with a local developer, incentivize a small development (10-20 single family homes) to construct all electric, ZNE homes. Reserve one home for several months as a showcase.

**Status:** In concept phase.

**Parties Involved:**

**Near Term Action Two:**

Explore Program Models that Incentivize Developers to Choose Efficient, Electric Equipment

**Project:** In cooperation with local planning departments investigate opportunities to engage developers and provide technical assistance/incentives to select low/no-carbon solutions.

**Status:** A list of potential contractors to work on this project has been established.

**Parties Involved:**

**Near Term Action Three:**

Prepare Educational Materials and Conduct Workshops for local Designers and Contractors

**Project:** Collaborate with the North Coast Builder’s Exchange on a series of articles and workshops designed to educate local contractors and design professionals regarding upcoming ZNE codes

**Status:** A draft article introducing a series of workshops has been drafted and submitted for publication.

**Involved Parties:** NCBE

## Program Strategy Seven

(PS7)

### Test and Evaluate the Use of New Technologies

This strategy fulfills the following goals of SCP's JPA:

- a. *Reducing greenhouse gas emissions 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 total energy consumption and;*
- d. *Stimulating and sustaining the local economy, including by developing or promoting local distributed energy resources.*

#### Near Term Action One:

##### Study Potential for Micro-Grids in SCP Territory

**Project:** Identify areas for potential micro-grids by analyzing the distribution network in SCP territory.

**Status:** In concept phase

**Involved Parties:**

#### Near Term Action Two:

##### Investigate the use of Bio-Mass Power Generation in SCP Territory

**Project:** Identify bio-mass feed stock supplies in SCP territory (particularly Mendocino County) as well as small scale bio-mass conversion technologies that may provide cost effective local power generation.

**Status:** Bio-mass analysis for Sonoma County completed by SCWA several years ago.

**Involved Parties:** SCWA

## Program Strategy Eight

(PS8)

### Promote Public Education Involving Energy Efficiency and Fuel Switching

This strategy fulfills the following goals of SCP's JPA:

- a. *Reducing greenhouse gas emissions in Sonoma County and neighboring regions;*
- e. *Promoting long-term electric rate stability, energy security, reliability, and resilience.*

#### Immediate Action One:

Continue the SWITCH Program

**Project:** SCP has been funding the SWITCH Program which provides an electric car "kit" which students can assemble and disassemble in order to learn how electric cars are put together. This familiarity with electric vehicles will make them more likely to incorporate EV's into their lives as well as the potential for students to enter the EV industry at the local dealership level.

**Status:** Funding agreement to extend the program has been completed.

**Involved Parties:** CTE, SWITCH

#### Immediate Action Two:

Create an Education Program for Schools in SCP Territory

**Project:** Contract with SCWA to expand their existing education program to include energy efficiency, fuel switching and climate change.

**Status:** Contract is in place and curriculum has been developed. SCP is coordinating with SCWA on materials and branding.

**Involved Parties:** SCWA

#### Immediate Action Three:

Continue the DIY Tool Kit Program and Expand Program Offerings to Mendocino County

**Project:** SCP has been funding the DIY Toolkit Program which provides a selection of energy and water saving devices that can be checked out from local libraries.

**Status:** After a successful pilot, the program was expanded from 11 kits in rotation to 30 kits. Program staff is negotiating the expansion of the program to Mendocino county libraries.

**Involved Parties:** Sonoma County General Services Department (Sonoma County only), Sonoma County Library, County of Mendocino Library, SCWA (Sonoma County only)

## Summary of Actions

### Immediate Actions:

- Implement Drive Evergreen Phase 2 (PS1)
- Implement Workplace Charging Program (PS1)
- Continue to Implement CleanCharge (PS1)
- Promote the use of Electric Vehicles in Commuting (PS1)
- Provide electric mobility solutions for local non-profits (PS1)
- Perform a Market Assessment within SCP territory on the use of Grid-Integrated Heat Pump Water Heaters (PS2)
- Investigate Potential for an On-Bill Financing Program in SCP's Territory (PS2)
- Perform a Market Assessment of Indoor Agriculture in SCP Territory (PS2)
- Monitor Existing Funding Channels for Potential Opportunities (PS3)
- Contract with Demand Response Technical Aggregators to Operate in SCP Territory (PS4)
- Contract with a "Super" Aggregator to bundle Technical Aggregators to bid into the CAISO DRRS system (PS4)
- Continue Offering ProFIT (PS5)
- Support Solar Sonoma County in providing assistance to SCP customers installing on-site renewable generation (PS5)
- Provide Assistance to Commercial Customers in Optimizing Energy Efficiency (PS6)
- Continue the SWITCH Program (PS8)
- Create an Education Program for Schools in SCP Territory (PS8)
- Continue the DIY Tool Kit Program and Expand Program Offerings to Mendocino County (PS8)

### Near Term Actions:

- Promote the use of Electric Vehicles in TNC operations (PS1)
- Promote the use of Electric Vehicles in taxi companies (PS1)
- Investigate Expansion of CleanCharge Program to Multifamily Properties (PS1)
- Develop an Education Program around the use of Heat Pumps for HVAC and Water Heating (PS2)
- Develop Tools and Program Models to Assist Property Owners in Better Understanding the Financial Impacts of Fuel Switching (PS2)
- Evaluate Cost-Effectiveness of Programs that Could Scale with CPUC Energy Efficiency Funds (PS3)
- Determine How Best to Add Storage to SCP's ProFIT Program (PS5)
- Determine How Best to Integrate Small Scale Battery Storage (PS5)
- Demand Charge Reduction Program (PS5)
- Develop a Residential Battery Storage Program (PS5)
- Model Development (PS6)

- Explore Program Models that Incentivize Developers to Choose Efficient, Electric Equipment (*PS6*)
- Prepare Educational Materials and Conduct Workshops for local Designers and Contractors (*PS6*)
- Study Potential for Micro-Grids in SCP Territory (*PS7*)
- Investigate the use of Bio-Mass Power Generation in SCP Territory (*PS7*)

### Long Term Actions:

- Promote the use of all Electric Autonomous Vehicles in SCP Territory (*PS1*)
- Foster electric vehicle adoption in low-income multifamily properties (*PS1*)
- Substitute heavy duty electric vehicle adoption for public transit and private delivery services (*PS1*)
- Participate with Local Jurisdictions on Ordinances that Encourage Efficiency Upgrades in Local Buildings (*PS2*)
- Interface with the CPUC and Stakeholders on Review of the Three-Prong Test (*PS2*)



## Staff Report – Item 06

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To: Sonoma Clean Power Community Advisory Committee

From: Cordel Stillman, Program Director

Issue: Review and recommend approval of incentives for new construction on residential homes in areas affected by the Sonoma County wildfires

Date: January 16, 2018

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### **Requested Committee Action:**

Provide recommendation to the Board of Directors regarding the incentive levels proposed for homes rebuilding in areas affected by the Sonoma County wildfires.

### **Background:**

Local architects, fire survivors, environmental activists and politicians have approached SCP staff since the October wildfires to ask for help in rebuilding better, with recommendations for zero carbon, EV infrastructure, heat pump technology, the total avoidance of natural gas in whole neighborhoods, coordination with other related efforts to promote better vegetation management and water conservation. As a result, SCP began conversations with the Counties of Sonoma and Mendocino, the City of Santa Rosa, PG&E, the Bay Area Regional Energy Networks (BayREN), the California Energy Commission, the California Public Utilities Commission, the Governor's Office and many local stakeholders on how best to incentivize rebuilt homes to be resilient, energy efficient and carbon free. Based on those conversations, Sonoma Clean Power and PG&E have outlined a program that could expand upon and streamline PG&E's existing California Advanced Homes Program (CAHP) and create a stretch goal option for totally carbon free homes.

Because of the extreme time pressure the City of Santa Rosa and the County of Sonoma are under to provide some kind of incentive soon, PG&E is already filing an advice letter with the CPUC to request their portion of the additional program funds,



essentially a doubling of existing rebate dollars to customers affected by the wildfire. As a part of this program, staff is proposing that Sonoma Clean Power also provide incentives for homes, condominiums, apartments and accessory dwelling units with permits issued for construction within the footprint of the burned areas from the October 2017 wildfires in Sonoma and Mendocino Counties.

Importantly, staff recognize that to successfully rollout a program of this scale in a timeframe that is needed to support the many home designs underway, it necessarily should be built on the solid framework of an existing program. Therefore, PG&E's California Advanced Home Partnership was targeted because of the program structure and the existence of program implementers, evaluators and so forth. The primary work in setting up this program entails:

- CPUC approval for PG&E incentive increase and SCP approval for SCP incentives;
- Obtain as much additional funding as possible from other funders, and finalize the actual incentive levels based on available funds;
- Finalize streamlined application process and escrow account management of funds from multiple sources;
- Outreach to architects, developers, homeowners, block captains, politicians, non-profits and others to educate about this opportunity;
- Train permit desk staff and building inspectors in program implementation and staff a resource to answer questions;
- Establish program review protocol and complete program evaluation throughout the implementation period and also at the conclusion.

The program, as envisioned, creates three avenues for participation, with options for either a prescriptive list of measures (easily understood by homeowners) or a performance based metric that would allow tradeoffs of certain energy measures (suitable for designers, energy consultants, production builders) for each incentive level. The measure packages have been developed based upon energy efficiency measures deemed to be cost-effective as a part of the 2019 California energy code update, and thus have already been found to be cost effective. Funding is envisioned to be comprised of various sources funneled through one source to participants, with a goal of offering a total rebate of between \$5,000 (Tier 1) and \$25,000 (Tier 3).



Staff is seeking the committee's input on offering a Sonoma Clean Power incentive of \$1,000 for the Tier 2 pathway and \$3,000 for the Tier 3 Pathway. With these incentive levels in mind, staff recommends an annual budget on program funds of \$2 million over a period of three years and a potential maximum of \$6 million. This level of funding would cover up to 2,000 homes over the three-year period at the highest Tier. Given the multi-year commitment, SCP would encumber Program Reserve funds until future budgets are adopted.

Program Objective: Provide a robust test case for up to 2,000 carbon-free homes and cars in advance of California's 2019 Title 24 Energy Code implementation in 2020. This program could create a possible framework for the 2022 Title 24 update or other State code updates, and would include measurement and evaluation, reporting, and potentially a tour of California to present and discuss the results throughout 2020. Actual participation may well be at a significantly lower level, but planning for the option of a large-scale program seems prudent.

Additional Funds Needed: A total of \$53 million is needed to completely fund this incentive, of which potentially \$10 million has been identified to date with \$2,800+ per home proposed through double incentives in the California Advanced Homes Program and \$2,000 per home proposed from Sonoma Clean Power. Budget for this program is based on 2,000 homes and 150 accessory dwelling units participating at the Tier 3 level. We have identified the New Solar Homes Partnership, BayREN and a local group called Rebuild North Bay as possible additional sources of funding. With realistic estimates of contributions from these sources, the remaining funding gap is approximately \$35 million. We therefore are seeking additional sources of funds.

Summary Process: A streamlined one-page application will be developed and 50% of incentives will be paid upon issuance of a building permit with the remaining 50% to be paid upon a successful site inspection within 60 days of issuance of an occupancy permit.

This program is proposed for projects including residential units with construction permits issued between March 1, 2018 and December 31, 2019 and final payments will be made only to projects that have occupancy permits issued by December 31, 2021.



Outreach and training for local architects, developers, rebuild “Block Captains” and permit desk staff would be held from March through July of 2018.

Innovation: We are collaborating with the California Energy Commission to develop an alternative compliance pathway to the 2019 Title Energy Code’s “Community Solar” option that would allow a twenty-year commitment to supply a new home with 100 percent local renewable energy. This option would allow more compact development, diverse local renewable sources, better options for addressing evening power needs, and potentially lower costs. SCP has the ability to offer this on a voluntary basis in advance of consideration for a broader statewide compliance pathway. The cost also appears to be attractive:

AEL = The Annual Electric Load estimated in Title 24 compliance documentation (kWh)

Prepayment Obligation = 20 yrs x AEL x EverGreen Premium x 0.83

The 20-yr forward estimate of SCP’s EverGreen premium is 2.9 cents per kWh in 2018 dollars. The factor of 0.83 is to discount the stream of costs by 2% annually. Therefore, the total pre-payment obligation for an all-electric home with average energy for two EVs could be around:

$$20 \text{ yrs} \times (12 \text{ mos} \times 1,050 \text{ kWh}) \times 0.029 \times 0.83 = \$6,065$$

The process would then have a developer/owner pre-pay the \$6,065 into an account for procuring local renewable sources, and the occupant of the home would pay the CleanStart rate for energy while receiving EverGreen for twenty years. The benefit would remain with the property, as it is sold, just like a solar array.

	Tier I (Target Incentive \$5000)	Tier II (Target Incentive \$10,000)	Tier III (Target Incentive \$25,000)
<b>OPTION 1: PERFORMANCE-BASED PATH</b>	20% above Title 24 code	20% above Title 24 code, all electric end uses	
PG&E Estimated Contribution	\$2,800	\$2,800	
SCP Contribution	\$0	\$1,000	
Combined Incentive	\$2,800	\$3,800	
	*Additional \$900 kicker for 30%+ above code *Additional \$2100 kicker for 40%+ above code	*Additional \$900 kicker for 30%+ above code *Additional \$2100 kicker for 40%+ above code	
<b>OPTION 2: PRESCRIPTIVE PATH</b>	<ul style="list-style-type: none"> <li>- 2016 Code High Performance Walls <u>or</u> 2016 Code High Performance Attics</li> <li>- 2019 Code windows (Max U-factor 0.30, SHGC 0.23)</li> <li>- High efficiency water heater: Heat Pump w/ EF of 3.0+ <u>or</u> gas tankless w/ EF of 0.92 with 220v outlet</li> <li>- Heating/cooling ducts that are well sealed, insulated (R-8), and located primarily in conditioned space (note: buried deeply in attic insulation can qualify)</li> <li>- WaterSense efficient plumbing fixtures <ul style="list-style-type: none"> <li>- Water efficient landscaping</li> <li>- Energy Star Appliances</li> </ul> </li> <li>- 220V outlet at stove/range and clothes dryer</li> <li>- Electric Vehicle Charging Station – Equipment free from Sonoma Clean Power</li> </ul>	<ul style="list-style-type: none"> <li>All features of Tier I plus... <ul style="list-style-type: none"> <li>2019 code High Perf. Walls</li> <li>2019 Code High Perf. Attics</li> </ul> </li> <li>- Insulation inspected by a HERS Rater (QII) <ul style="list-style-type: none"> <li>- “Cool” roof</li> </ul> </li> <li>- Building Enclosure Airtightness verified by a HERS Rater</li> <li>- NEEA tier 3.0+ HPWH w/ controls</li> <li>- High efficiency heat pumps for heating/cooling (EER of 12.5+, HSPF of 9.5+) <ul style="list-style-type: none"> <li>- Smart thermostat</li> </ul> </li> <li>- Compact plumbing design <ul style="list-style-type: none"> <li>- Induction cooking</li> </ul> </li> <li>- Electric or heat pump clothes dryer</li> <li>- Electric Vehicle Charging Station for all covered parking spaces (max required = 2)</li> </ul>	<ul style="list-style-type: none"> <li>All features of Tier II plus... <ul style="list-style-type: none"> <li>- Solar panel system designed to fully offset annual electric usage with battery storage sufficient to hold 30% of one summer day's production; OR</li> <li>- Pre-purchase of 20-year premium on 100% local renewable power (e.g., EverGreen or SolarChoice).</li> </ul> </li> </ul>
PG&E Estimated Contribution	\$2,800	\$2,800	\$2,800
SCP Contribution	\$0	\$1,000	\$3,000
Other Sources	\$2,200	\$6,200	\$19,200
Combined Incentive	\$5,000	\$10,000	\$25,000