



AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, February 1, 2018
8:45 A.M.

50 Santa Rosa Avenue, Fifth Floor, Santa Rosa, California

I. CALL TO ORDER

II. BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve January 4, 2018 minutes of the SCPA Board of Directors meeting

III. BOARD OF DIRECTORS REGULAR CALENDAR

2. Appoint Chair and Vice Chair of the Board for 2018
3. Receive Operations Update and provide direction as appropriate.
4. Receive Regulatory and State Legislative Updates and provide direction as appropriate.
5. Approve legislative platform for SCPA.
6. Approve Strategic Action Plan for Programs.
7. Approve program incentive levels for rebuilding in areas affected by wildfires.
8. Approve re-allocation of \$90,000 in unspent Drive EverGreen funds to promote electric vehicles for local nonprofit organizations, and appoint an ad hoc committee of the Board of Directors to assist in identifying potential recipients.

IV. BOARD MEMBER ANNOUNCEMENTS

V. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(Comments are restricted to matters within the Board jurisdiction. Please be brief and limit comments to three minutes.)

VI. 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 of the Board at (707) 978-3467, as soon as possible to ensure arrangements for accommodation.



MINUTES
BOARD OF DIRECTORS MEETING
THURSDAY, January 4, 2018

50 Santa Rosa Avenue, Fifth Floor, Santa Rosa, California

I. CALL TO ORDER

The meeting was called to order at 8:45 a.m. by Chair Okrepkie

Present: Chair Okrepkie, Vice Chair Hamburg, Directors Peters, Landman, Slayter, Kearney and Tibbetts (alternate)

Staff: Chief Executive Officer Geof Syphers and Director of Internal Operations Stephanie Reynolds

II. BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve the minutes of the SCPA Board of Directors Meeting of December 7, 2017

Motion to approve the December 7, 2017 minutes of the SCPA Board of Directors meeting by Director Landman

Second: Director Peters

Motion approved: 6-0-1 (Director Kearny abstained)

III. BOARD OF DIRECTORS REGULAR CALENDAR

2. Receive 2017 Annual Report

Kate Kelly, Director of Public Affairs and Marketing presented the 2017 Annual Report to the Board.

Public Comment: None

Director Gore arrived at 8:51 a.m.

Director Bagby arrived at 8:53 a.m.

3. Receive Operations Update and provide direction as appropriate

Neal Reardon, Director of Regulatory Affairs gave an update to the Board on PG&E's Annual Electric True-Up.

Public Comment: None

MINUTES
SONOMA CLEAN POWER AUTHORITY
BOARD OF DIRECTORS
JANUARY 4, 2018

Director Reynolds welcomed new employees Dora Barrera, Administrative Assistant, Claudia Sisomphou, Communications Coordinator and Connor Prince, Programs Intern.

CEO Syphers updated the Board on wildfire recovery efforts and stated SCP activities on wildfire relief support includes working with PG&E to create new incentives for efficient reconstruction.

Director Gore stated that he would like the California Office of Emergency Services to be on a future agenda.

Public Comment:

Dick Dowd stated that Rebuild Sonoma County Working Group has some familiarity with building and development of residential units and the group is a non-compensatory group that is a resource and advocacy group for homeowners and associations. He stated he is in conversations with PG&E regarding zero net energy prototypes.

Emily Fisher stated the initiatives are exciting and would like to support them. She asked if there has been an effort to partner with North Coast Energy Services and thanked SCP.

CEO Syphers stated that SCP is engaging a public funds advisor to work on the target for reserves and to explore what would be needed for a credit rating.

Director Reynolds updated the Board on Drive EverGreen final numbers and stated 565 EVs were either leased or sold, totaling 771 cars that SCP has assisted getting on the road. Several board members expressed support for bringing the program back in 2018, and CEO Syphers agreed to ask the Program team to evaluate what would be possible in 2018.

CEO Syphers stated that the Power Services Team completed an in-state hydro power deal for 2018 through 2022 with Tenaska.

Director Bagby asked that SCP look at working with the Air District and other agencies to assist in getting more charging stations in the west and northern parts of Sonoma County.

Public Comment:

Bruce Nyden suggested using a charging program such as evmatch.com that allows people to register online and pay for a timeslot.

4. Receive Regulatory and State Legislative Updates and provide direction as appropriate

Katherine Brandenburg updated the Board on current legislative activity.

Public Comment:

Paul Brophy asked about a tax extender's bill that would extend the investment tax credit on renewables and if there is any information on this.

CEO Syphers stated that as part of the tax overhaul bill there were no changes made to the tax credit structure for renewable energy as part of that bill.

IV. BOARD MEMBER ANNOUNCEMENTS

Chair Okrepkie congratulated Director Gore for his Chair position on the Board of Supervisors, Director Landman for City of Cotati Mayor position, Director Slayter for City of Sebastopol Mayor position, Director Hamburg on Chair of Mendocino County Board of Supervisors, Director Peters for Mayor of Fort Bragg and himself as Mayor of Windsor.

Director Gore thanked the Board, CEO Syphers and staff for seeing the need for contributions toward fire recovery and that underserved communities are included. He stated that on February 2 there will be the State of The County event and this will deploy an interaction session, have breakouts and look at recovery plans and he would like SCP to participate.

V. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

Bill Mattinson asked about the CPUC freezing the launch of new CCAs.

CEO Syphers stated the CPUC issued a draft resolution and the substance of it was that it would require a much longer process for a new CCA before customers could be served. He stated SCP has met with commissioners and lawmakers and the next meeting has been pushed back to February 4th. He is sensing the Commission to alter the program but not necessarily deferring their decision and more information will come in February.

VI. ADJOURN (10:21 a.m.)

Respectfully Submitted,

Braiden Gugel



Staff Report – Item 02

To: Sonoma Clean Power Authority Board of Directors

From: Stephanie Reynolds, Director of Internal Operations

Issue: Appointment of Chair and Vice Chair of the Board for 2018

Date: February 1, 2018

Requested Board Action:

Nominate and approve the appointments of Chair and Vice Chair of the Sonoma Clean Power Authority Board of Directors for 2018.

Background:

There are no written materials for this item.



Staff Report – Item 03

To: Sonoma Clean Power Authority Board of Directors
From: Stephanie Reynolds, Director of Internal Operations
Geof Syphers, CEO
Issue: Operations Report
Date: February 1, 2018

ORIENTATION FOR NEW BOARD MEMBERS

Each year, we welcome some new directors to our Board. At this meeting, new directors will be sworn in by the Clerk of the Board. Each incoming director is offered the opportunity to meet with the CEO and Internal Operations Director for a brief history of and orientation to SCP and provided an informational binder with SCP history and current information.

WILDFIRE RECOVERY EFFORTS & REGIONAL HOUSING

SCP has successfully drafted a proposed joint incentive program to promote both energy efficiency and renewable sources with PG&E for the rebuild areas, following our regions wildfires. We have also successfully advocated for draft legislation that would extend the time period for rebuilding homes from 24 to 36 months, though there are questions of whether insurance companies may protest that action. We have also set up a developer and architect presentation of the joint SCP-PG&E program, met with a number of block captains, and arranged both sponsorship and participation in the February 23 Rebuild Green event at the Santa Rosa Vet's building. Finally, we have requested \$28 million in Cap-and-Trade funds to support efficiency and renewable rebuilds.



DEFAULT TIME-OF-USE (TOU) PILOT

In January, PG&E sent out notices to 8,157 of our shared residential customers informing them they have been selected for the State of California's Default Time-of-Use Pilot. This is the first of 3 letters these customers will receive notifying them of their upcoming switch from a flat rate to a time-of-use rate starting in April 2018. Customers selected for the pilot have three options: 1) Elect to not participate in the pilot and remain on their flat rate, 2) Choose a different time-of-use rate, or 3) Stay in the pilot. If customers remain in the pilot they will receive bill protection for a period of up to 12 months. Bill protection works by ensuring customers who pay more on the pilot rate, compared to if they had stayed on the flat rate, would receive a bill credit for the difference. SCP and MCE Clean Energy are participating in the pilot to gain operational insight into full time-of-use default (currently scheduled to begin in 2019), provide feedback to PG&E regarding marketing and outreach materials, and determine the financial impact to SCP of switching customer to time-of-use rates and bill protection.

POST-FIRE BILLING UPDATE

During the October firestorm, just under 5,000 SCP accounts were affected across Sonoma and Mendocino counties. The majority of the affected accounts were destroyed, single family homes. Since the fires, SCP has been working with PG&E on customer outreach, billing, and the financial impact of the affected accounts. In addition, SCP has worked with PG&E and CPUC to ensure our customers receive the same consumer protections as bundled customers. The financial impact to SCP of final bills and unbilled usage that will not be collected is still being finalized and will be presented to SCP's Board of Director's at a later meeting.

As of January 18th, PG&E is still holding approximately 850 bills to ensure accuracy before they are sent to customers. Customers who receive a large bill due to bill holds can set up payment plans with PG&E (including SCP charges) with as little as 10% down and a repayment period of 12 months. It is expected most, if not all, of the bill holds will be removed by the end of February.

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 5th 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

Sonoma Clean Power continued to add to a strong net position in December. The winter rate season continues to be in effect in December, a period where aggregate rates are less than in the summer season. The year-to-date growth in net position is above projections due primarily to lower than anticipated energy costs. Year-to-date operating revenues reached 94,035,000.

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 \$74,681,000, which indicates healthy growth as SCP continues to make progress towards its reserve goals. Of this net position, approximately \$42,253,000 and \$7,456,000 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.

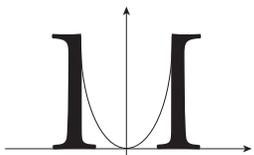
The budget is formatted to make comparisons for both the annual and the year-to-date perspective. The first column, 2017/18 YTD Budget, allocates the Board approved annual budget at expected levels throughout the year with consideration for the timing of additional customers, usage volumes, staffing 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 102% 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 December 31, 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
January 25, 2018



SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of December 31, 2017

ASSETS

Current assets	
Cash and cash equivalents	\$ 57,647,220
Accounts receivable, net of allowance	17,332,653
Other receivables	100,730
Accrued revenue	8,759,976
Prepaid expenses	223,921
Deposits	734,563
Total current assets	<u>84,799,063</u>
Noncurrent assets	
Capital assets, net of depreciation	236,272
Deposits	4,114,666
Total noncurrent assets	<u>4,350,938</u>
Total assets	<u>89,150,001</u>

LIABILITIES

Current liabilities	
Accounts payable	932,782
Accrued cost of electricity	12,599,300
Other accrued liabilities	311,492
User taxes and energy surcharges due to other governments	475,687
Total current liabilities	<u>14,319,261</u>
Noncurrent liabilities	
Supplier security deposits	<u>150,000</u>
Total liabilities	<u>14,469,261</u>

NET POSITION

Net investment in capital assets	236,272
Unrestricted	74,444,468
Total net position	<u>\$ 74,680,740</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
July 1, 2017 through December 31, 2017

OPERATING REVENUES

Electricity sales, net	\$ 93,446,414
Evergreen electricity premium	197,094
Electricity sales for resale	369,400
Liquidated damages	22,440
Total operating revenues	<u>94,035,348</u>

OPERATING EXPENSES

Cost of electricity	72,218,103
Staff compensation	1,411,153
Data manager	1,581,887
Service fees - PG&E	600,287
Consultants and other professional fees	744,552
Legal	127,822
Communications	750,111
General and administration	327,308
Program rebates and incentives	1,398,364
Depreciation	29,107
Total operating expenses	<u>79,188,694</u>
Operating income	<u>14,846,654</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	219,442
Charitable contributions	(290,000)
Total nonoperating revenues (expenses)	<u>(70,558)</u>

CHANGE IN NET POSITION

	14,776,096
Net position at beginning of period	<u>59,904,644</u>
Net position at end of period	<u>\$ 74,680,740</u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS July 1, 2017 through December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 91,867,942
Receipts from electricity sales for resale	497,887
Receipts from liquidated damages	22,440
Receipts from supplier security deposits	2,325,000
Tax and surcharge receipts from customers	1,220,267
Payments to purchase electricity	(71,478,083)
Payments for staff compensation	(1,470,006)
Payments for contract services	(2,832,165)
Payments for communications	(747,617)
Payments for general and administration	(469,954)
Payments for program rebates and incentives	(1,716,864)
Return of security deposits to suppliers	(4,650,000)
Tax and surcharge payments to other governments	(1,225,176)
Net cash provided (used) by operating activities	<u>11,343,671</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Deposits and collateral paid	(562,602)
Payments for charitable contributions	(290,000)
financing activities	<u>(852,602)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(82,133)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

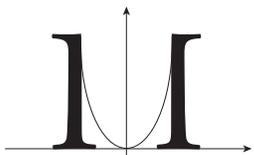
Return of certificate of deposit	7,028,428
Interest income received	174,402
Net cash provided (used) by investing activities	<u>7,202,830</u>

Net change in cash and cash equivalents	17,611,766
Cash and cash equivalents at beginning of year	40,035,454
Cash and cash equivalents at end of period	<u><u>\$ 57,647,220</u></u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF CASH FLOWS (continued)
July 1, 2017 through December 31, 2017

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

Operating income	\$ 14,846,654
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	29,107
Revenue reduced for uncollectible accounts	470,572
(Increase) decrease in net accounts receivable	(2,187,244)
(Increase) decrease in other receivables	128,487
(Increase) decrease in accrued revenue	(66,496)
(Increase) decrease in prepaid expenses	(177,130)
(Increase) decrease in current deposits	(295,607)
Increase (decrease) in accounts payable	196,491
Increase (decrease) in accrued cost of electricity	(7,561)
Increase (decrease) in accrued liabilities	728,705
Increase (decrease) in user taxes and energy surcharges due to other governments	2,693
Increase (decrease) in supplier security deposits	(2,325,000)
Net cash provided (used) by operating activities	<u>\$ 11,343,671</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 December 31, 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
January 25, 2018



**SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
July 1, 2017 through December 31, 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
REVENUE AND OTHER SOURCES:						
Revenue - Electricity (net of allowance) *	\$ 88,934,418	\$ 93,446,414	\$ 4,511,996	105%	\$ 166,269,950	\$ 72,823,536
Revenue - Evergreen Premium (net of allowance)	131,099	197,094	65,995	150%	245,100	48,006
Revenue - Electricity sales for resale **	-	369,400	369,400	-	-	(369,400)
Revenue - Interest income	159,500	219,442	59,942	138%	319,000	99,558
Total revenue and other sources	<u>89,225,017</u>	<u>94,254,790</u>	<u>5,029,773</u>	<u>106%</u>	<u>166,834,050</u>	<u>72,579,260</u>
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	70,606,958	72,218,103	1,611,145	102%	139,339,530	67,121,427
Data management	1,557,352	1,581,887	24,535	102%	3,114,703	1,532,816
Service fees- PG&E	595,714	600,287	4,573	101%	1,191,427	591,140
Personnel	1,665,000	1,411,153	(253,847)	85%	3,330,000	1,918,847
Outreach and communications	475,500	481,068	5,568	101%	951,000	469,932
Customer service	237,000	137,824	(99,176)	58%	474,000	336,176
Legal	185,000	127,822	(57,178)	69%	370,000	242,178
Accounting and auditing	97,000	89,690	(7,310)	92%	194,000	104,310
Technical consultants	175,000	24,363	(150,637)	14%	350,000	325,637
Legislative consultants	115,000	39,000	(76,000)	34%	230,000	191,000
Other consultants	107,500	174,574	67,074	162%	215,000	40,426
Program implementation and development	3,000,000	1,954,042	(1,045,958)	65%	6,000,000	4,045,958
General and administration	247,500	319,774	72,274	129%	495,000	175,226
Fire relief donations	355,000	290,000	(65,000)	82%	1,000,000	710,000
Total current expenditures	<u>79,419,524</u>	<u>79,449,587</u>	<u>30,063</u>	<u>100%</u>	<u>157,254,660</u>	<u>77,805,073</u>
OTHER USES						
Collateral deposit payments	2,000,000	562,602	(1,437,398)	28%	2,000,000	1,437,398
Capital outlay	82,000	67,304	(14,696)	82%	164,000	96,696
Total expenditures, Other Uses and Debt Service	<u>81,501,524</u>	<u>80,079,493</u>	<u>(1,422,031)</u>	<u>98%</u>	<u>159,418,660</u>	<u>79,339,167</u>
Net increase (decrease) in available fund balance	<u>\$ 7,723,493</u>	<u>\$ 14,175,297</u>	<u>\$ 6,451,804</u>	<u>184%</u>	<u>\$ 7,415,390</u>	<u>\$ (6,759,907)</u>
* Represents sales of approximately 1,151,000 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	<u>\$ 42,252,492</u>					
Program Cash Reserve	<u>7,456,322</u>					
	<u>\$ 49,708,814</u>					

SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
July 1, 2017 through December 31, 2017

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 14,175,297
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(29,107)
Add back capital asset acquisitions	67,304
Add back collateral deposits	<u>562,602</u>
Change in net position	<u>\$ 14,776,096</u>



Staff Update – Item 4

To: Sonoma Clean Power Authority Board of Directors

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

Issue: Legislative and Regulatory Updates

Date: February 1, 2018

Legislative Update

The Legislature returned to the Capitol on January 3rd to begin the second year of a two-year session. When the Legislature recessed in September, Democrats held a supermajority in both houses. Since then, three members in the Assembly have resigned and one Senator is on administrative paid leave due to reports of harassment. As noted last month, Governor Brown announced a Special Election for June 5, 2018. Thus, the primary for the three Assembly seats will be held on April 3rd and the General for the three seats will be held on June 5th. There will also be a Special Recall Election on June 5th pertaining to Senate District 29 (Senator Josh Newman). Many individuals within Senator Newman's district were not happy with the position Senator Newman took on SB 1 (Beall), which increased the amount of gasoline tax the consumer pays at the pump.

Senator Toni Atkins will be California's next President pro Tempore. She will be sworn in on March 21st.

Budget

Governor Brown released his final budget of his gubernatorial career proposing to spend a record \$190 billion, without raising taxes and setting aside \$13 billion in a rainy-day reserve.



For the first time since 1998, it appears that a retiring governor will not pass along a budget deficit to his successor. Nonetheless, the Governor insisted that fiscal prudence must guide decisions this year, emphasizing that “we prepare for the recession, not when it comes, but years before.” The Governor noted that by the end of the next fiscal year, the economic expansion will be the longest post-war period of uninterrupted growth. A moderate recession, according to the Department of Finance, would drop state revenues by more than \$20 billion annually.

The Legislature in 2017 extended the cap-and-trade program, which is designed to enable reductions in greenhouse gas emissions, through 2030. A consequence of this extension was to stabilize the existing program and ensure a steady stream of new revenues to the state, potentially amounting to billions in new taxes for the Legislature to spend. The Governor will outline his plan for new spending on January 25th in his state-of-the-state address.

Legislation

SCP was tracking approximately 90 bills during the 2017 legislative session. Now that the Legislature is in the second year of the 2017-18 session and house of origin deadlines are nearing the end, 28 bills have been removed from SCP’s tracking list. We will be adding new bills to the list as they are introduced and will review them to determine if SCP will take a support or oppose position, or continue monitoring the legislation for future amendments. The deadline to introduce legislation is February 16. As a result, staff will provide a more detailed report in March.

Active Legislation from 2017 Legislative Session:

AB 33 (Quirk) – Transportation Electrification: Electric Vehicle Services Equipment

Current Version: Amended on June 22, 2017

SCP Position: Neutral (Removed opposition with May 30th Amendment)

Status: Senate Energy, Utilities & Communications Committee

Requires the CPUC, in consultation with the CARB and the CEC to consider authorizing electrical corporations to offer programs and investments that support customers who purchase a used electric vehicle and provide those customers with a grid-integrated electricity rate.



AB 726 (Holden) and AB 813 (Holden) – Regionalization and ITC Procurement

Current Version: Amended on August 8, 2017
SCP Position: Oppose as Amended on August 8, 2017
Status: Senate Rules Committee

Both bills are virtually identical and would restructure the management of California's power grid and among other things would block new CCAs from contracting for new renewable energy in California. SCP and CalCCA oppose the self-procurement prohibition. We anticipate amendments to AB 813 will be released in the coming days.

AB 920 (Aguilar-Curry) – Renewable Portfolio Standard Program

Current Version: Amended on July 17, 2017
SCP Position: Neutral
Status: Senate Appropriations Committee

Would require that all retail electric providers develop a balanced portfolio of sources that include baseload renewables and demonstrate a plan for such a portfolio through their integrated resource plans. SCP removed its opposition when the author amended the bill to require the local governing boards to make said determination.

SB 100 (de Leon) – Renewable Portfolio Standards

Current Version: Amended on September 11, 2017
SCP Position: Support (as of July 18, 2017 Amendment)
Status: Assembly Utilities & Energy Committee

Establishes a target of generating 100 percent of the state's retail sales of electricity from renewable energy resources by 2045, accelerates and expands the existing Renewable Portfolio Standard, and requires state agencies to incorporate into existing climate programs the planning goal and regulatory requirement of achieving 100 percent reliance on renewable energy resources and zero-carbon resources by the end of 2045.



Recent conversations about SB 100 have lead SCP to be concerned that language limiting CCA involvement in demand response programs may be inserted to block programs like smart EV charging and the use of smart inverters in solar arrays. If this bears out, SCP will work to oppose such an amendment and ask for a “clean bill” to support.

Regulatory Update

Power Charge Indifference Adjustment (PCIA)

On January 16th and 17th CalCCA participated in a two-day CPUC workshop with the IOUs, Direct Access and large customer interests, commercial developers, and TURN to discuss the PCIA and potential alternatives. CalCCA presented concepts intended to reduce stranded costs for all ratepayers, require utilities to actively manage portfolios to minimize costs, facilitate a voluntary transfer of asset attributes between utilities and CCAs, and achieve transparent and stable departing load fees. Several other stakeholder groups raised the idea of voluntary asset transfers and/or sales. The utilities presented their Portfolio Allocation Methodology approach.

CCA interests noted that while we have made progress in accessing IOU data, utilities are still in the process of aggregating and uploading the necessary information. The result is that while CalCCA has developed conceptual modifications to the PCIA, we have not yet been able to verify their impacts on our customers using data.

On February 1st, CalCCA and the IOUs are required to file a joint status report outlining the need for evidentiary hearings, and appropriateness of the current schedule. The current schedule calls for opening and reply briefs to be filed on February 20th and March 13th, respectively. Testimony is scheduled for April 16-20th, with a Proposed Decision expected in July of 2018.

Resolution E-4907

On December 8th, CPUC staff issued Resolution E-4907 which would significantly delay the launch of new CCAs. Currently, existing CCAs and IOUs are required to demonstrate their respective purchases of adequate amounts of resource adequacy (RA) in October of each calendar year. To prevent utilities not being compensated for procuring RA on behalf of customers who leave to join a CCA later in the year, CPUC staff recommended that CCAs be delayed, and follow a defined schedule for submitting Implementation Plans. The plans would need to be filed by February 1st



of 2018 to offer service any time after January 1st of 2019. Staff from SCP and CalCCA have met with all five Commissioner's offices and CPUC staff to discuss an alternate approach that would allow CCAs to continue launching under the condition that they agree to purchase the required RA to coincide with their launch date. The Commission is scheduled to vote on this Resolution, or an alternate, on February 8th.



Staff Report – Item 05

To: Sonoma Clean Power Authority Board of Directors

From: Geof Syphers, CEO
Kathrine Brandenburg, Lobbyist

Item: Approve SCPA Legislative Platform

Date: February 1, 2018

Requested Actions

Approve legislative platform.

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 to the CAC in January. This report presents the proposed final version including edits made after receiving comments from the BOD, CAC and the public.

Proposed SCPA Legislative Platform

Sonoma Clean Power supports legislation that protects and fosters CCAs and their customers within the State of California. Sonoma Clean Power's legislative efforts are guided by the following principles:

1. Customer Equity, Rates and Nonbypassable Charges

Support legislation that provides 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, resource adequacy, 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. Operational Efficiency and Customer Transparency

Support legislation which makes operating CCAs simpler and less expensive, and oppose unnecessary administrative burdens on CCAs. Support legislation that enhances customer access to accurate information, and oppose legislation which confuses or misleads customers.

8. Rebuilding and Renewal

Support legislation that enables financing, investment, grants and incentives to aid in both rebuilding burned structures in a manner that is efficient and climate smart, 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 06

To: Sonoma Clean Power Board of Directors
From: Cordel Stillman, Director of Programs
Issue: Sonoma Clean Power Programs Section - Strategic Action Plan
Date: February 1, 2018

Requested Board Action:

Receive the Strategic Action Plan Developed by the Programs Section and authorize its use as a planning tool.

Background:

Working with an ad hoc committee of the Community Advisory Committee (CAC) and with input from the entire CAC, the Planning Section has developed a Strategic Action Plan (SAP). The SAP is intended to be a working document that will provide a roadmap and prioritization for both current and future program opportunities. The SAP will be posted on SCP’s website so that the public can stay informed regarding the status of programs. The SAP will be updated twice each year in January and June with the input of staff, the ad hoc of the CAC, and the Board.



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. The evaluation of particular programs will include metrics specific to that program and will occur after the program has had a reasonable time to establish itself. This document will be updated twice each year in January and June.

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 Building Stock |
| 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. | Support the Transition to Zero Net Energy Building Codes and Practices |
| Program Strategy 7. | Test and Evaluate the Use of New Technologies |
| Program Strategy 8. | 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"> 1. Required by regulatory or other deadlines; 2. Other strategies or actions are dependent on outcome; 3. Achievable in the near-term; 4. Funding and resources are available. 	<ol style="list-style-type: none"> 1. Anticipated, yet not immediate, deadline; 2. Funding is proposed; 3. Necessary for planning and development of long-term actions. 	<ol style="list-style-type: none"> 1. Not enough information to proceed at this time; 2. Lower priority; 3. Funding not available

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 Building Stock

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 30th, 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 of 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;*
and
- 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, Sonoma County Water
Agency (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 07

To: Sonoma Clean Power Authority Board of Directors

From: Rachel Kuykendall, Program Manager

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

Date: February 1, 2018

Requested Committee Action:

Review and approve 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 Bay Area Air Quality Management District, 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, PG&E has already filed 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 escrow



account to participants, with a goal of offering a total rebate of between \$5,000 (Tier 1) and \$25,000 (Carbon Free Home).

Staff is seeking the Board's input on offering a Sonoma Clean Power incentive of \$100 for the Tier 1 Prescriptive Path, \$1,000 for the Tier 2 pathway and \$3,000 for Carbon Free Home 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 in each of the program's highest tiers. Given the multi-year commitment, SCP would encumber Program Reserve funds until future budgets are adopted.

On January 16, 2018, this item was presented the Community Advisory Committee for review. The committee unanimously voted to recommend approval of the program incentive levels.

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 \$22 million has been identified to date with \$2,800+ per home proposed through double incentives in the California Advanced Homes Program and \$3,000 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 Carbon Free Home level. We have identified the New Solar Homes Partnership, the Bay Area Air Quality Management District, 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 \$28 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 for use of renewables in homes that are not able to benefit as NEM customers, 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)	Carbon Free Home (Target Incentive \$25,000)
OPTION 1: PERFORMANCE PATH	20% above Title 24 code	20% above Title 24 code, all electric end uses	
PG&E Estimated Contribution	\$2,800	\$2,800	
SCP Contribution	\$100	\$1,000	
Other Sources	\$2,100	\$6,200	
OPTION 2: PRESCRIPTIVE PATH	<ul style="list-style-type: none"> - 2016 Code High Performance Walls <u>or</u> 2016 Code High Performance Attics - 2019 Code windows (Max U-factor 0.30, SHGC 0.23) - High efficiency water heater: Heat Pump w/ EF of 3.0+ <u>or</u> gas tankless w/ EF of 0.92 with 220v outlet - Heating/cooling ducts that are well sealed, insulated (R-8), and located primarily in conditioned space (note: buried deeply in attic insulation can qualify) - WaterSense efficient plumbing fixtures <ul style="list-style-type: none"> - Water efficient landscaping - Energy Star Appliances - 220V outlet at stove/range and clothes dryer - Electric Vehicle Charging Station – Equipment free from Sonoma Clean Power 	<p>All features of Tier I plus...</p> <ul style="list-style-type: none"> - 2016 code High Perf. Walls - 2016 Code High Perf. Attics - Insulation inspected by a HERS Rater (QII) <ul style="list-style-type: none"> - “Cool” roof - Building Enclosure Airtightness verified by a HERS Rater - NEEA tier 3.0+ HPWH w/ controls - High efficiency heat pumps for heating/cooling (EER of 12.5+, HSPF of 9.5+) <ul style="list-style-type: none"> - Smart thermostat - Compact plumbing design - Induction cooking - Electric or heat pump clothes dryer - Electric Vehicle Charging Station – Equipment free from Sonoma Clean Power 	<p>All features of Tier II plus...</p> <ul style="list-style-type: none"> - Solar panel system designed to fully offset annual electric usage with battery storage sufficient to hold 30% of one summer day's production; <li style="text-align: center;">OR - Pre-purchase of 20-year premium on 100% local renewable power (e.g., EverGreen or SolarChoice).
PG&E Estimated Contribution	\$2,800	\$2,800	\$2,800
SCP Contribution	\$100	\$1,000	\$3,000
Other Sources	\$2,100	\$6,200	\$19,200
Combined Incentive	\$5,000	\$10,000	\$25,000



Staff Report – Item 08

To: Sonoma Clean Power Board of Directors

From: Cordel Stillman, Director of Programs

Issue: Re-allocation of a portion of the unspent Drive Evergreen budget to assist non-profits to purchase electric vehicles

Date: February 1, 2018

Requested Board Action:

Re-allocate \$90,000 of the remaining Drive Evergreen budget to provide assistance to local non-profits for the purchase of electric vehicles. Appoint an ad hoc committee of the Board of Directors to assist in identifying potential recipients.

Background:

The Drive EverGreen program was a resounding success in advancing the number of EVs in Sonoma County. SCP budgeted \$1,960,000 in fiscal year 17/18 for the Drive Evergreen program. Of that amount, approximately \$760,000 is remaining. Staff are requesting that \$90,000 of that remainder be allocated to a program to assist non-profit organizations within our service territory to acquire electric vehicles.

Many non-profits have a need to transport their clients or staff in the performance of their functions. Using an electric vehicle would reduce greenhouse gas emissions and expose staff and clients to the use of electric vehicles, making it more likely that they use EVs in their personal lives as well.

SCP staff have identified non-profits that perform some sort of transportation or delivery service as part of their function. We have contacted these entities to determine their potential interest in a program of this nature, and several have indicated an interest.



Non-profits would be selected for the program based upon several factors to be developed (for example, need for vehicles, miles driven, Evergreen customer status), and would be required to provide information to SCP about vehicle use and participate in public relations activities relating to the program. Non-profits in the program would also be requested to provide information to their staff and clients about EV benefits, to further encourage adoption of EVs in Sonoma County. In return, under the program SCP would buy down a significant portion of the upfront cost of a three-year lease (up to \$12,500) on an electric vehicle. The remainder of the lease cost would be borne by the non-profit. If the program is more successful than anticipated, we will bring the program back to the CAC and the Board for consideration of additional budget.

We invite the Board to form a small ad hoc committee to aid in the selection of nonprofit organizations, and to assure that we have not overlooked any potential participants in the program.