AGENDA
COMMUNITY ADVISORY COMMITTEE
Thursday, May 24, 2018
1:00 P.M.
50 Santa Rosa Avenue, 5th 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 April 17, 2018 meeting minutes of the Community Advisory Committee

2. Receive Operations Report

3. Receive State Legislative and Regulatory updates

4. Recommend Drive EV incentives on electric cars

5. Recommend approval of contract with Center for Sustainable Energy (CSE) for services during Drive EV program

6. Recommend proposed budget adjustments to the FY 17-18 Budget

7. Recommend approval of contract with California Energy Commission and related contracts with Frontier Energy and DNV-GL

8. Recommend Board adoption of Exhibit A of SCP’s Integrated Resource Plan to be submitted to the California Public Utilities Commission

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
Tuesday, April 17, 2018

50 Santa Rosa Avenue, 5th Floor, Santa Rosa, California

I. CALL TO ORDER

The meeting was called to order by Chair Dowd at 9:01 a.m.

Committee Members present: Quinlan, Como, Baldwin, Fenichel, Wells, Nicholls, Dowd and Mattinson

Staff present: Geof Syphers, CEO, Stephanie Reynolds, Internal Operations Director

II. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

None

III. COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

1. Review and approve the March 22, 2018 meeting minutes of the Community Advisory Committee

   Motion to approve the minutes of the March 22, 2018 Community Advisory Committee by CM Baldwin
   Second: CM Nicholls

   Motion approved: 6-0-0 (Members Quinlan and Dowd abstained)

2. Receive Operations Report

   Stephanie Reynolds, Director of Internal Operations provided an update on the General Counsel recruitment.

   CEO Syphers provided an update on long-term power service contracts.

   Rebecca Simonson, Power Services Manager provided an update on the Golden Hills project.

   Chair Dowd requested in a future meeting information on the arena of storage and to hear staff opinion. CEO Syphers responded by discussing the potential value of storage.
CEO Syphers reported out on the floating solar project and stated the Board approved a settlement to terminate the project.

Cordel Stillman, Director of Programs provided an update on Drive EV 3.0 and stated the Programs Team has been reaching out to dealers and hopes to have contracts in place by the end of June and start the program in August.

Director Reynolds provided an update on the DIY toolkits and stated staff has been finalizing a contract with Mendocino County for an expansion by early June. She provided an update on the Lead Locally (CEC Grant) and the financial statements.

Public Comment: John Rosenblum stated he would like to know how much of the energy purchased was under contract and how much needed to be sold.

3. Receive State Legislative and Regulatory updates

CEO Syphers highlighted AB 813 and stated the Board has authorized staff to support the bill but there has no action yet. He also highlighted AB 2693 and AB 2726.

Public Comment: None

4. Review and make a recommendation on the proposed FY 18/19 annual budget

CEO Syphers provided an update on the previous Closed Session item of real estate and stated that two properties were discussed and the Board authorized staff to proceed with negotiations. He stated the property would be purchased out of current year revenues.

CEO Syphers provided background on the Fiscal Year 2018-19 proposed budget. He asked for clarifying questions, new input and ultimately a recommendation.

Chair Dowd asked CEO Syphers to provide an update to the Committee regarding CalCCA.

CM Quinlan asked to see the legal professional services broken down in the future.
Public Comment:
John Rosenblum asked whether projections are based on the hourly profile of how much energy is required. He stated solar and wind are not predictable and the main concern is the price difference.

CEO Syphers stated projections are based on hourly data.

Motion to approve the recommendation of the proposed FY 18/19 annual budget by CM Wells
Second: CM Nicholls

Motion approved: 8-0-0

5. Review and make a recommendation on the proposed FY 18/19 customer rates effective July 1, 2018

CEO Syphers provided background on customer rates for July 1, 2018. No changes had been made from the version presented to the Board of Directors.

Public Comment: None

Motion to recommend the proposed FY 18/19 customer service rates effective July 1, 2018 by CM Nicholls
Second: CM Baldwin

Motion approved: 8-0-0

IV. COMMITTEE MEMBER ANNOUNCEMENTS

None

V. ADJOURN

The meeting was adjourned at 10:14 a.m.

Respectfully yours,

Braiden Gugel
Executive Assistant/Clerk
NEW STAFF AT SCP

SCP has hired a Programs Manager to develop, implement and manage the work to be done under the Lead Locally program, primarily funded by the recently awarded CEC grant. The new staff member, Chad Asay (A-see) started on May 7th. We are very excited to welcome Chad to the SCP team! We also have a new Programs Intern starting with our team in mid-June.

On May 3, 2018, the Board of Directors appointed an ad hoc committee to participate in the final interviews of candidates for General Counsel. The ad hoc will be responsible for making a final recommendation or recommendations to the Board in closed session in June or July.

BUILDING PURCHASE UPDATE

We are currently under contract for an office building at 431 E Street and the adjacent parking lot at 426 Beaver Street in downtown Santa Rosa. The building is approximately 14,000 sf and would be used as a single-occupancy property by SCP after renovations. We have received most of the inspection results and are still in negotiations with the sellers. At this time, we are not anticipating any major
hurdles in finalizing the contract. A proposed budget adjustment for the purchase of the building is addressed later in the meeting agenda.

**TREE PLANTING PARTNERSHIP**

SCP is happy to announce a new partnership with the Sonoma Land Trust and Mendocino Land Trust to plant trees. Through the partnership, SCP donated $15,000 in an effort to fight climate change and work toward a clean and healthy environment. SCP’s donation supports conservation efforts by contributing to native vegetation planting projects on properties and projects throughout Sonoma and Mendocino counties. In addition to improving habitat and water quality, planting trees helps remove CO₂ from the atmosphere and is an effective way to fight climate change. The donations are in honor of our EverGreen customers who are at the forefront of helping combat climate change.

**WILDFIRE RECOVERY EFFORTS**

The Ad Hoc of the Board responsible for donations towards wildfire relief efforts met following the May 3rd Board meeting to determine recipients of the last of the donations from the $1 million approved by the Board of Directors in November, 2017. There was $343,000 remaining funds available to donate. A full list of recipients of the donations will be reported to the Board at the June meeting.

**PROGRAM UPDATES**

**ProFIT**

SCP’s feed-in tariff, ProFIT, currently has six projects in the queue: four in unincorporated Petaluma (Sonoma County), one in unincorporated Cloverdale (Sonoma County), and one in unincorporated Willits (Mendocino County). This means that the queue is fully subscribed.
Two of the projects in unincorporated Petaluma, including the Lavio Solar project that broke ground in 2017, started producing power in April of this year! These two projects generate approximately 2 megawatts of energy, or enough to power about 600 homes. We are very proud of our Program team for helping these projects get all the way through permitting and construction, and it is exciting to announce that EverGreen is now 50% geothermal and 50% solar! This mix of baseload and daytime sources is a good match to the actual real-time load for our customers and fulfills a longstanding goal of providing renewable sources in a manner that minimizes the use of natural gas sources to support reliability. In short, if everyone in the world were on EverGreen, we’d be far ahead of the UN’s 2050 goals for the electric power sector.

**Drive EverGreen 3.0**

Addressed under agenda item #4.

**Energy Education Program**

No update at this time, as the end of the school year approaches. Staff continues to receive positive feedback on the outreach and intends to continue the program, hopefully expanding to Mendocino County schools.

**Do-It-Yourself Energy and Water Saving Toolkits**

The Do-It-Yourself Energy and Water Saving Toolkits continue to be popular with library patrons. Training was completed with Mendocino librarians, kits delivered and the response has been very enthusiastic.

**NetGreen**

The annual cash out process for NetGreen customers with a credit in excess of $100 has begun and is about 50% complete. An estimate for the year is a little over $600,000 will be paid out. A more detailed report will be available soon.

**GridSavvy**

SCP has incentivized a total of 1,862 residential electric vehicle chargers. Of these, 544 are participating in Sonoma Clean Power’s GridSavvy Community, which allows SCP to send a signal to chargers to ramp up or down depending on grid needs.
**Workplace Charging Pilot Program**

Staff has completed the preliminary assessment of five locations. Detailed assessments with site visits are planned for the near future.

**EVSE Infrastructure**

SCP is planning to shift from vehicle incentives to charging stations in fiscal year 2019/20. Staff is suggesting that each of SCP’s participating cities, towns and counties be approached to discuss installation of DCFC’s (also known as Level 3 or direct-current fast charging stations). It is prudent to begin working towards this goal due to the long lead times involved in site selection, interconnection, ADA issues, etc.

**Advanced Energy Rebuild**

The program is live and two early applications have already been received. Many more are reportedly in the process of being prepared. Educational forums for industry workers have been held and will continue with six scheduled for June and July. The first at the North Coast Builder’s Exchange was well attended. The new Programs Intern will be helpful with reviewing plans as they come with new applications, as he has experience in the area.

**Lead Locally (CEC Grant)**

Addressed under Item #7 on the agenda.

**Non-Profit Electric Mobility**

Staff is working on more leads, currently working with interested non-profits. Three cars have been incentivized to date.

**MONTHLY COMPILED FINANCIAL STATEMENTS - MARCH 2018**

The winter rate season continues to be in effect in March, 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 128,522,000.

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 reached a positive $72,354,000, which indicates healthy growth as SCP continues to make progress towards its reserve goals. Of this net position, approximately $42,317,000 and $7,468,000 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 is under the year-to-date budget by approximately 2%.

The cost of electricity is also slightly under budget-to-date by approximately 1%. 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

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 March 31, 2018, 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 Sonoma Clean Power Authority.

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
May 7, 2018
## REVENUE AND OTHER SOURCES:

<table>
<thead>
<tr>
<th>Description</th>
<th>2017/18 YTD Budget</th>
<th>2017/18 YTD Actual</th>
<th>Variance (Under) Over</th>
<th>2017/18 YTD Budget %</th>
<th>2017/18 Amended Budget</th>
<th>2017/18 Budget Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue - Electricity (net of allowance) *</td>
<td>$130,975,465</td>
<td>$128,522,498</td>
<td>$ (2,452,967)</td>
<td>98%</td>
<td>$175,021,000</td>
<td>$46,498,502</td>
</tr>
<tr>
<td>Revenue - Evergreen Premium (net of allowance)</td>
<td>193,072</td>
<td>320,148</td>
<td>127,076</td>
<td>166%</td>
<td>258,000</td>
<td>(62,148)</td>
</tr>
<tr>
<td>Revenue - Electricity sales for resale **</td>
<td>-</td>
<td>422,950</td>
<td>422,950</td>
<td>-</td>
<td>(422,950)</td>
<td></td>
</tr>
<tr>
<td>Revenue - Interest income</td>
<td>239,250</td>
<td>370,359</td>
<td>131,109</td>
<td>155%</td>
<td>319,000</td>
<td>(51,359)</td>
</tr>
<tr>
<td>Total revenue and other sources</td>
<td>131,407,787</td>
<td>129,658,395</td>
<td>(1,749,392)</td>
<td>99%</td>
<td>175,598,000</td>
<td>45,939,605</td>
</tr>
</tbody>
</table>

## EXPENDITURES AND OTHER USES:

<table>
<thead>
<tr>
<th>Description</th>
<th>2017/18 YTD</th>
<th>2017/18 YTD</th>
<th>Variance (Under) Over</th>
<th>2017/18 YTD Budget %</th>
<th>2017/18 Amended Budget</th>
<th>2017/18 Budget Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT EXPENDITURES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of energy and scheduling</td>
<td>107,489,400</td>
<td>106,246,530</td>
<td>(1,242,870)</td>
<td>99%</td>
<td>143,649,000</td>
<td>37,402,470</td>
</tr>
<tr>
<td>Data management</td>
<td>2,419,500</td>
<td>2,356,399</td>
<td>(63,101)</td>
<td>97%</td>
<td>3,226,000</td>
<td>869,601</td>
</tr>
<tr>
<td>Service fees- PG&amp;E</td>
<td>925,500</td>
<td>878,246</td>
<td>(47,254)</td>
<td>95%</td>
<td>1,234,000</td>
<td>355,754</td>
</tr>
<tr>
<td>Personnel</td>
<td>2,497,500</td>
<td>2,214,541</td>
<td>(282,959)</td>
<td>99%</td>
<td>3,330,000</td>
<td>1,115,459</td>
</tr>
<tr>
<td>Outreach and communications</td>
<td>713,250</td>
<td>677,724</td>
<td>(35,526)</td>
<td>95%</td>
<td>951,000</td>
<td>273,276</td>
</tr>
<tr>
<td>Customer service</td>
<td>355,500</td>
<td>196,891</td>
<td>(158,609)</td>
<td>55%</td>
<td>474,000</td>
<td>271,109</td>
</tr>
<tr>
<td>Legal</td>
<td>277,500</td>
<td>192,208</td>
<td>(85,292)</td>
<td>69%</td>
<td>370,000</td>
<td>177,792</td>
</tr>
<tr>
<td>Accounting and auditing</td>
<td>145,500</td>
<td>117,035</td>
<td>(28,465)</td>
<td>80%</td>
<td>194,000</td>
<td>76,965</td>
</tr>
<tr>
<td>Technical consultants</td>
<td>262,500</td>
<td>342,210</td>
<td>79,710</td>
<td>130%</td>
<td>350,000</td>
<td>7,790</td>
</tr>
<tr>
<td>Legislative consultants</td>
<td>172,500</td>
<td>65,474</td>
<td>(107,026)</td>
<td>38%</td>
<td>230,000</td>
<td>164,526</td>
</tr>
<tr>
<td>Other consultants</td>
<td>161,250</td>
<td>38,373</td>
<td>(122,877)</td>
<td>24%</td>
<td>215,000</td>
<td>176,627</td>
</tr>
<tr>
<td>Program implementation and development</td>
<td>4,500,000</td>
<td>2,613,031</td>
<td>(1,886,969)</td>
<td>58%</td>
<td>6,000,000</td>
<td>3,386,969</td>
</tr>
<tr>
<td>General and administration</td>
<td>371,250</td>
<td>588,704</td>
<td>217,454</td>
<td>159%</td>
<td>495,000</td>
<td>(93,704)</td>
</tr>
<tr>
<td>Fire relief donations</td>
<td>677,500</td>
<td>637,000</td>
<td>(40,500)</td>
<td>94%</td>
<td>1,000,000</td>
<td>363,000</td>
</tr>
<tr>
<td>Total current expenditures</td>
<td>120,968,650</td>
<td>117,164,366</td>
<td>(3,804,284)</td>
<td>97%</td>
<td>161,718,000</td>
<td>44,553,634</td>
</tr>
<tr>
<td>OTHER USES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collateral deposit payments</td>
<td>2,000,000</td>
<td>562,290</td>
<td>(1,437,710)</td>
<td>28%</td>
<td>2,000,000</td>
<td>1,437,710</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>123,000</td>
<td>67,304</td>
<td>(55,696)</td>
<td>55%</td>
<td>164,000</td>
<td>96,696</td>
</tr>
<tr>
<td>Total expenditures, Other Uses and Debt Service</td>
<td>123,091,650</td>
<td>117,793,960</td>
<td>(5,297,690)</td>
<td>96%</td>
<td>163,882,000</td>
<td>46,088,040</td>
</tr>
<tr>
<td>Net increase (decrease) in available fund balance</td>
<td>$8,316,137</td>
<td>$11,864,435</td>
<td>$3,548,298</td>
<td>143%</td>
<td>$11,716,000</td>
<td>$(148,435)</td>
</tr>
</tbody>
</table>

* Represents sales of approximately 1,870,000 MWh for 2017/18 YTD actual.

** Electricity sales for resale is the result of sales to other utilities for resale purposes.
Net increase (decrease) in available fund balance per budgetary comparison schedule: $ 11,864,435

Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:

<table>
<thead>
<tr>
<th>Adjustment</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtract depreciation expense</td>
<td>(44,891)</td>
</tr>
<tr>
<td>Add back capital asset acquisitions</td>
<td>67,304</td>
</tr>
<tr>
<td>Add back collateral deposits</td>
<td>562,290</td>
</tr>
<tr>
<td>Change in net position</td>
<td>12,449,138</td>
</tr>
</tbody>
</table>

See accountants' compilation report.
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 March 31, 2018, 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
May 7, 2018
# SONOMA CLEAN POWER AUTHORITY
## STATEMENT OF NET POSITION
### As of March 31, 2018

### ASSETS

<table>
<thead>
<tr>
<th>Current assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 59,626,763</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance</td>
<td>15,355,668</td>
</tr>
<tr>
<td>Other receivables</td>
<td>98,550</td>
</tr>
<tr>
<td>Accrued revenue</td>
<td>6,212,111</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>161,126</td>
</tr>
<tr>
<td>Deposits</td>
<td>516,063</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>81,970,281</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Noncurrent assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets, net of depreciation</td>
<td>220,488</td>
</tr>
<tr>
<td>Deposits</td>
<td>4,114,666</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td><strong>4,335,154</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>86,305,435</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th>Current liabilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>902,207</td>
</tr>
<tr>
<td>Accrued cost of electricity</td>
<td>12,058,478</td>
</tr>
<tr>
<td>Other accrued liabilities</td>
<td>351,346</td>
</tr>
<tr>
<td>User taxes and energy surcharges due to other governments</td>
<td>489,622</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>13,801,653</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Noncurrent liabilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier security deposits</td>
<td>150,000</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>13,951,653</strong></td>
</tr>
</tbody>
</table>

### NET POSITION

| Net investment in capital assets                    | 220,488  |
| Unrestricted                                       | 72,133,294|
| **Total net position**                             | **$ 72,353,782** |
SONOMA CLEAN POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
July 1, 2017 through March 31, 2018

OPERATING REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity sales, net</td>
<td>$128,522,498</td>
</tr>
<tr>
<td>Evergreen electricity premium</td>
<td>320,148</td>
</tr>
<tr>
<td>Electricity sales for resale</td>
<td>422,950</td>
</tr>
<tr>
<td>Liquidated damages</td>
<td>22,440</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>129,288,036</td>
</tr>
</tbody>
</table>

OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of electricity</td>
<td>106,246,530</td>
</tr>
<tr>
<td>Staff compensation</td>
<td>2,214,541</td>
</tr>
<tr>
<td>Data manager</td>
<td>2,356,399</td>
</tr>
<tr>
<td>Service fees - PG&amp;E</td>
<td>878,246</td>
</tr>
<tr>
<td>Consultants and other professional fees</td>
<td>1,343,382</td>
</tr>
<tr>
<td>Legal</td>
<td>192,208</td>
</tr>
<tr>
<td>Communications</td>
<td>1,006,368</td>
</tr>
<tr>
<td>General and administration</td>
<td>597,789</td>
</tr>
<tr>
<td>Program rebates and incentives</td>
<td>1,691,903</td>
</tr>
<tr>
<td>Depreciation</td>
<td>44,891</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>116,572,257</td>
</tr>
<tr>
<td>Operating income</td>
<td>12,715,779</td>
</tr>
</tbody>
</table>

NONOPERATING REVENUES (EXPENSES)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>370,359</td>
</tr>
<tr>
<td>Charitable contributions</td>
<td>(637,000)</td>
</tr>
<tr>
<td>Total nonoperating revenues (expenses)</td>
<td>(266,641)</td>
</tr>
</tbody>
</table>

CHANGE IN NET POSITION

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net position at beginning of period</td>
<td>59,904,644</td>
</tr>
<tr>
<td>Net position at end of period</td>
<td>$72,353,782</td>
</tr>
</tbody>
</table>

See accountants' compilation report.
CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales $131,580,282
Receipts from electricity sales for resale 553,577
Receipts from supplier for security deposits 2,325,000
Tax and surcharge receipts from customers 1,774,443
Payments to purchase electricity (106,062,507)
Payments for staff compensation (2,237,275)
Payments for contract services (4,810,968)
Payments for communications (1,032,104)
Payments for general and administration (574,783)
Payments for program rebates and incentives (1,791,903)
Return of security deposits to suppliers (4,650,000)
Tax and surcharge payments to other governments (1,753,768)
Deposits and collateral paid (562,290)
Payments for charitable contributions (437,000)

Net cash provided (used) by operating activities 12,320,704

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets (83,182)

CASH FLOWS FROM INVESTING ACTIVITIES

Return of certificate of deposit 7,028,428
Interest income received 325,359

Net cash provided (used) by investing activities 7,353,787

Net change in cash and cash equivalents 19,591,309
Cash and cash equivalents at beginning of year 40,035,454
Cash and cash equivalents at end of period $59,626,763

See accountants’ compilation report.
## RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>$ 12,715,779</td>
</tr>
<tr>
<td>Adjustments to reconcile operating income to net cash provided (used) by operating activities</td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>$ 44,891</td>
</tr>
<tr>
<td>Revenue reduced for uncollectible accounts</td>
<td>$ 647,448</td>
</tr>
<tr>
<td>Charitable contributions considered an operating activity for cash flow purposes only</td>
<td>($437,000)</td>
</tr>
<tr>
<td>(Increase) decrease in net accounts receivable</td>
<td>($387,135)</td>
</tr>
<tr>
<td>(Increase) decrease in other receivables</td>
<td>$ 130,627</td>
</tr>
<tr>
<td>(Increase) decrease in accrued revenue</td>
<td>$ 2,481,369</td>
</tr>
<tr>
<td>(Increase) decrease in prepaid expenses</td>
<td>($114,335)</td>
</tr>
<tr>
<td>(Increase) decrease in current deposits</td>
<td>($639,709)</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable</td>
<td>($33,035)</td>
</tr>
<tr>
<td>Increase (decrease) in accrued cost of electricity</td>
<td>($183,161)</td>
</tr>
<tr>
<td>Increase (decrease) in accrued liabilities</td>
<td>$ 403,337</td>
</tr>
<tr>
<td>Increase (decrease) in user taxes and energy</td>
<td></td>
</tr>
<tr>
<td>surcharges due to other governments</td>
<td>$ 16,628</td>
</tr>
<tr>
<td>Increase (decrease) in supplier security deposits</td>
<td>($2,325,000)</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td><strong>$ 12,320,704</strong></td>
</tr>
</tbody>
</table>

operating activity for cash flow purposes only
Staff Update – Item 03

To: Sonoma Clean Power Authority Community Advisory Committee

From: Geof Syphers, CEO
Katherine Brandenburg, Lobbyist
Kate Kelly, Director of Public Affairs and Marketing
Neal Reardon, Director, Regulatory Affairs

Issue: Legislative and Regulatory Updates

Date: May 24, 2018

Legislative Update

Due to last year’s devastating wildfires, Governor Brown issued an Executive Order on May 10th to mobilize the resources of the state to protect our forests and ensure they absorb carbon to the maximum degree. The order will improve the health of California’s forests and help mitigate the threat and impacts of deadly and destructive wildfires, which hinder the state’s progress towards its climate goals.

The key elements of the order include:

- Doubling the land actively managed through vegetation thinning, controlled fires and reforestation from 250,000 acres to 500,000 acres.
- Launching new training and certification programs to help promote forest health through prescribed burning.
- Boosting education and outreach to landowners on the most effective ways to reduce vegetation and other forest-fire fuel sources on private lands.
- Streamlining permitting for landowner-initiated projects that improve forest health and reduce forest-fire fuels on their properties.
- Expanding grants, training and other incentives to improve watersheds.

The following day the Governor released the May budget revision which included $96
million to support these actions. The $96 million is in addition to the $160 million proposed in the Cap and Trade expenditure plan released in January to support forest improvements and fire protection.

Governor’s May Revise

Governor Brown introduced his revised budget by stating that California is nearing the longest economic recovery in modern history, and quoted Isaac Newton “What goes up must come down.” From the beginning of Governor Brown’s second stint as Governor of California, he has always stressed saving for the “rainy day” and has kept a reserve where many legislators would like to spend the funds on district projects. Governor Brown’s budget continues to invest in California’s core priorities, including increasing K-12 education, raising the minimum wage, expanding health care coverage to millions of Californians, improving transportation and water systems and paying down the debt.

The January budget was projected to have a healthy one-time surplus and focused the new funds on building up the state’s Rainy Day Fund to prepare for the next recession. Since that time, revenues have continued to grow. Capital gains are projected to be at an all-time high and state unemployment is at an all-time low.

Even though California will see a healthy increase in revenues, Governor Brown continues to remind everyone that it was only a decade ago that one-time revenues from capital gains were used for ongoing expenditures while deferring tough decisions through borrowing and gimmicks. He is committed to prudent one-time spending in order to keep California from making the mistakes of the past.

The Legislature has until June 15 to pass the 2018-19 budget and the Governor has until June 30th to sign the 2018-19 budget.
### Bills SCP is Actively Monitoring

<table>
<thead>
<tr>
<th>Bill</th>
<th>Issue</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AB 813 (Holden)</strong></td>
<td>Would set constraints on governance for an expanded independent system operator.</td>
<td>Support as currently written</td>
</tr>
<tr>
<td>Electricity: Independent System Operator: California RPS Program: procurement</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>AB 1745 (Ting)</strong></td>
<td>Would create a sunset date for the DMV registration of new cars and light trucks using petroleum as a fuel.</td>
<td>Support</td>
</tr>
<tr>
<td>Vehicles: Clean Cars 2040 Act.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Bill was dropped this year.</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>AB 1912 (Rodriquez)</strong></td>
<td>Would eliminate the ability of JPAs to limit their liabilities and debts if they seek to join CalPERS in order to provide retirement security for JPA employees in the case of a JPA collapse. Author may take amendments to limit the effect to JPA offering CalPERS pensions, in which case SCP would be neutral.</td>
<td>Oppose Unless Amended</td>
</tr>
<tr>
<td>PERS: Joint Powers Agreements Liability</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>AB 2127 (Ting)</strong></td>
<td>Would create a statewide assessment of electric vehicle charging infrastructure needed to support the levels of electric vehicle adoption needed for the state to reduce emissions of greenhouse gases to 40% below 1990 levels by 2030.</td>
<td>Support</td>
</tr>
<tr>
<td>Electric vehicle infrastructure: assessment and roadmap</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>AB 2208 (Aguiar-Curry)</strong></td>
<td>Would require purchasing geothermal from the Salton Sea area. SCP is seeking removal of the specific Salton Sea obligation and the removal of grandfathering in of old contracts to comply.</td>
<td>Oppose Unless Amended</td>
</tr>
<tr>
<td>Electrical corporations: California RPS program: procurement plans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bill Number</td>
<td>Description</td>
<td>Details</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------</td>
<td>---------</td>
</tr>
<tr>
<td>AB 2693 (Quirk)</td>
<td>Natural gas-fired power plants</td>
<td>Would modify the existing mechanism for assigning increased costs of uneconomic gas-fired power plants to electric providers when they are deemed necessary for grid reliability. CalCCA has strong concerns this would lock in natural gas contracts much longer than necessary for reliability.</td>
</tr>
<tr>
<td>AB 2726 (Levine)</td>
<td>Consumption Based Accounting</td>
<td>Would direct CARB to create a “consumption based” GHG inventory, which would conflict with existing CEC process via AB 1110. Bill will likely die in the next two weeks.</td>
</tr>
<tr>
<td>SB 100 (de Leon)</td>
<td>California RPS Program: emissions of greenhouse gases</td>
<td>Would set milestones and a target to reach 100% renewable and carbon-free electric sources by 2045. Supported in 2017 session, and will continue to review to ensure no harmful language is inserted.</td>
</tr>
<tr>
<td>SB 1014 (Skinner)</td>
<td>Zero emission vehicles</td>
<td>Would require transportation network companies (e.g. Lyft and Uber) to increase the use of electric vehicles over time, and ensure that by 2030 all TNC-owned or leased vehicles are electric.</td>
</tr>
<tr>
<td>SB 1088 (Dodd)</td>
<td>Safety, reliability, and resiliency planning.</td>
<td>Would require utilities to develop plans to reduce risk from fires. However, concerns about potentially unlimited IOU expenditures and language prevents CCA implementation of DER programs was inserted.</td>
</tr>
<tr>
<td>SB 1136 (Hertzberg)</td>
<td>Electricity: load-serving entities: resource adequacy requirements.</td>
<td>Would require the Public Utilities Commission, in establishing resource adequacy requirements, to ensure the reliability of electrical service in California while advancing, to the extent possible, the state’s goals for clean energy, reducing air pollution, and reducing emissions of greenhouse gases.</td>
</tr>
</tbody>
</table>
| **SB 1347 (Stern)**  
Energy Storage Systems | Require the commission to determine whether additional procurement of energy storage systems by the state’s 3 largest electrical corporations is needed to maintain long-term system and local reliability. CalCCA is advocating for CCA self-procurement. | Back up CalCCA’s efforts |
| **SB 1399 (Wiener)**  
Renewable energy: shared renewable energy tariffs. | Would require the Public Utilities Commission to require each large electrical corporation to establish a tariff or tariffs that provide for bill credits for electricity generated by eligible renewable generating facilities and exported to the electrical grid to be credited to electrical accounts of nonresidential customers of the corporations. Could harm CCAs by allowing IOUs to cherry-pick large customers away from CCA at the expense of residential and small business customers. | Back up CalCCA’s efforts |

**Regulatory Update**

**Power Charge Indifference Adjustment (PCIA)**

Five days of evidentiary hearings in the PCIA proceeding were concluded on Friday May 11th. These hearings allowed for cross examination of witnesses who sponsored testimony in the proceeding. Transcripts and additional exhibits will be submitted into the record, which parties can cite in their final legal briefings on the PCIA.

The IOUs spent the majority of the first two days defending their proposed “GAM/PMM” allocation methodologies. CalCCA and other parties to the proceeding highlighted many of the flaws: that a forced allocation is inappropriate for existing CCAs which already have resources, that much of the value would be eroded by dicing up contracts and selling them into the spot market, that CCAs would not have different resource portfolios than utilities they departed, and that integrated resource planning and long-term goals would be jeopardized.
CalCCA’s proposal to use securitization as a tool to reduce costs for all ratepayers was well received. Though legislation would be required to enable this tool, it has been done in several states and produced benefits by using lower cost bond debt to refinance previous utility obligations. Several parties, including TURN and CLECA, supported a more holistic monetization and allocation of resources similar to the Staggered Portfolio Auction proposed by CalCCA. Of particular note, the assigned Judge ordered the utilities to produce a graph of their historical over-supply and stranded-cost by year, which he indicated will be used to brief Commissioners.

A week of oral arguments is scheduled for the week of June 25-29th, with a Proposed Decision expected in July/August.
May 10, 2018

Dear Senators and Assemblymembers:

The California Community Choice Association (CalCCA) thanks you for the leadership you demonstrated in December when you wrote to the California Public Utilities Commission (CPUC) with concerns about the its draft resolution E-4907 to change the Community Choice Aggregation (CCA) registration process. The CPUC’s draft resolution proposed a de facto freeze on expansion and development of new CCAs statewide, on grounds that CCAs were not meeting California’s Resource Adequacy requirements, creating a reliability crisis.

Citing an alleged urgency, the CPUC chose to pursue its de facto freeze via an unorthodox, non-transparent and rushed resolution process, rather than with a normal proceeding. Following assertions by CPUC President Picker that CCAs were failing to meet California’s Resource Adequacy requirements, the CPUC Energy Division issued the draft resolution including these claims on electric reliability issues for comment December 8, 2017.

On behalf of CalCCA, which represents the interests of California’s community choice electricity providers in the legislature and at the state regulatory agencies, we would like to note that despite what has been recently claimed at the CPUC, CCAs are driving real change in demonstrable and verifiable ways:

1. **CCAs are meeting resource adequacy requirements.**

2. **CCAs are driving California toward decarbonization faster than state mandates using voluntary action precisely as AB 32 envisioned, including over 1100 MW of new, renewable generation contracted for 10 years or more.**

3. **CCAs are proposing fixes to California’s nonbypassable charge framework in ways that save all energy consumers approximately $700 million while also creating a durable framework for continued CCA growth.**

**CPUC Draft Resolution E-4907**

Despite CCA’s verified impacts, in public settings leading up to the publication and adoption of the Resolution E-4907, President Picker made some inaccurate claims about the role that CCAs were playing with respect to the state’s grid reliability, specifically, and deregulation of the electricity market. Many of these statements can be found in the attached document.
Here are three excerpts from the February 8, 2018 voting meeting:

“... [CCAs are] not able to fully provide that resource adequacy...”

“... a voltage collapse, a voltage surge will travel to non-CCA cities.”

“... [CCA] fail to actually provide absolutely critical services to their customers and to endanger their neighbors…”

These claims were made despite lack of supporting evidence. Commissioner Guzman Aceves stated that CCAs are complying with Resource Adequacy requirements at the same February 8th CPUC voting meeting. (Id., hour 2:09:52.)

Contrary to the many assertions made at this CPUC meeting and others, all operating CCAs have met all resource adequacy requirements set by the CPUC. This is supported by a statement from the CPUC Energy Division staff noting that none of the eleven load serving entities that requested waivers to meet their 2018 resource adequacy obligations were CCAs. It is important to note that waivers can be necessary in California's constrained local capacity market where the two largest electric investor owned utilities have contracted capacity in excess of their needs, and until recently, did not make that capacity available to the market.

There is a standard of care and an expectation that California's appointed officials will make decisions on behalf of Californians based on thoughtful collection and deliberation of the facts. To make California’s policies work, we need data and collaboration, not unsubstantiated urgency.

The CPUC is in the position to know the facts of our state’s complex electricity sector, and particularly the details of waivers the agency has under its own review and approval. It is a reasonable expectation for legislators, energy consumers and stakeholders to rely on statements made by officials with the facts. But the CPUC's Resource Adequacy emergency resolution and the draft report it released indicate the need for skepticism and careful vetting of information from the CPUC concerning CCAs.

**Report on California Customer Choice**

On May 3rd, the CPUC issued its draft report “California Customer Choice: An Evaluation of Regulatory Framework Options for an Evolving Electricity Market,” claiming that publicly-administered community choice programs and rooftop solar could cause the state’s next energy crisis. But CalCCA urges you to consider the following:

- CCAs were created by the legislature in the wake of the energy crisis as part of the solution, to reduce volatility in the energy market.
  - The concern at the time was that energy markets were fraught with gaming and poor management. By introducing public oversight, the legislature
hoped that CCAs would bring a mature and careful approach to protecting ratepayers against risky practices.

- The track record of CCAs in providing lower cost electricity with reduced greenhouse gas emissions and more renewables, with over 1100 MW of new renewable generation contracted for 10 years or more, is exceptional.
- A story not often heard is how CCAs are reducing ratepayer exposure to market changes with more careful procurement. The CPUC’s draft report focuses on reliability as a key concern, but doesn’t include input from the California ISO, which is responsible for system reliability.

The draft report reveals the CPUC’s fears about losing regulatory control to community choice programs and our own governing boards, which consist of locally-elected officials. Most importantly, the report does not identify specific problems with CCAs that need to be solved. Instead, it makes erroneous assertions and may be used to justify regulatory action against CCAs. When issues do arise, CalCCA will — and already does — engage fully with both regulators and legislators to address them with solutions based on facts and data, not fallacious arguments.

Inaccurate claims that CCAs are acting irresponsibly are simply not based on reality and call into question the CPUC’s ability to be a neutral and unbiased regulator on matters impacting CCAs.

As calls for legislation grow louder, we urge you to continue working closely with us. We thank you again for your leadership in helping us resolve Resolution E-4907 and we look forward to continuing to work with you as we move toward a positive, responsible transformation of the retail electricity market, community by community, and meet our mutual goals for CCA communities and the State.

Sincerely,

Dawn Weisz
President

Geof Syphers
Vice President
President Picker’s Claims Before the Senate Energy, Utilities and Communications Committee (August 2017)

1. “What we do know is that the electric industry is once again being deregulated. In 1998 it was by design discussed and adopted by the legislature. Now, we’re being deregulated by technology, whole range of choices made in different forums that are not necessarily connected. We’re being deregulated from the bottom up...Very important in that is reliability. How do we deal with reliability across all these different players? How do we fairly allocate the costs?”

2. “Ed [Randolph] is going to take you through what we learned in our community choice aggregation workshop. I just wanted to give you a sense that the problem is worse than you think.”

(Senate Energy, Utilities and Communications Committee, Wednesday, August 23, 2017, President Picker introductory remarks, see hours 0:10:41, 0:11:35, 0:12:55).

President Picker’s Claims at the CPUC (October 2017 & February 2018)

- “We are right at the crisis point, because largely smaller LSEs, whether they are ESPs providing Direct Access or the CCAs, bid short term contracts in the RA market, and they are all reporting that they are not getting bid responses, and in some places there is just no bid response at all. So we are right there at that point; so this is why I keep focusing on reliability issues. You know, many of these smaller providers clearly cannot do that, it is either because they don’t have the market weight to attract bids, or because they are somehow sending signals they are not capable of paying the costs, so what do we do? Do we step in with some emergency rule and order them to then buy that from the incumbent utilities? That certainly will disturb their current market pricing and they won’t start to look so cheap. What do we do?” (California Public Utilities Commission California Customer Choice Workshop, October 31, 2017, see hour 6:56:49.)

In the CPUC’s voting meeting on February 8th, President Picker again made claims about CCAs and Resource Adequacy that were not based on facts:

- “… it’s more than just cost shifting…” (Public Utilities Commission of the State of California, Public Agenda 3412, February 8, 2018, Item 9, see hour 2:02:35 at http://www.adminmonitor.com/ca/cpuc/voting_meeting/20180131/.)
- “… [CCAs are] not able to fully provide that resource adequacy…” (Id., hour 2:03:05.)
- “… not having that assurance before people embark, even as local governments, to provide electricity to folks has implications not only for their customers but for their neighbors.” (Id., hour 2:03:14.)
• “… a voltage collapse, a voltage surge will travel to non-CCA cities.” (Id., hour 2:03:40.)
• “[For CCAs to] hold themselves out as partners in the statewide electrical grid without being able to provide us that assurance of reliability. It really makes me nervous, and it makes me wonder sometimes whether people are fully prepared to embrace this responsibility.” (Id., hour 2:03:58.)
• “… [CCA] fail to actually provide absolutely critical services to their customers and to endanger their neighbors...” (Id., hour 2:04:29.)
Staff Report – Item 04

To: Sonoma Clean Power Authority Community Advisory Committee

From: Nelson Lomeli, Program Specialist
Cordel Stillman, Director of Programs
Geof Syphers, CEO

Issue: Recommend customer incentives for electric vehicle incentives

Date: May 24, 2018

Requested Committee Action:

Provide recommendation to the Board of Directors regarding the implementation of Drive EV incentives.

Background

At the direction from the Board, Staff have negotiated discounts on 10 different models of electric and plug-in cars to implement the final iteration of Drive EverGreen, which is now being rebranded as “Drive EV.” The Drive EV program will provide those benefits to customers on the following schedule:

Aug. 1, 2018 – Nov. 16, 2018 Discounts from dealers and vehicle manufacturers on electric vehicles, including SCP incentives if approved

The Drive EV program follows the success of the Drive EverGreen program pilot in late 2016, and the second iteration in 2017. To date, combined, the two iterations of the program have incentivized 773 battery electric and plug-in hybrid vehicles (hereafter referred to as “EVs”), and saved customers over $10 million. Together, the two programs will reduce 7,104 metric tons of greenhouse gas emissions over three years (the life of a typical lease).

As discussed during a series of Board of Directors and Community Advisory Committee budget meetings over the past couple of years, electric vehicles are a technology that can bring multiple benefits to residents and businesses in Sonoma
County, and to Sonoma Clean Power. Benefits include reducing greenhouse gas emissions caused by personal vehicle use (60% of Sonoma County’s emission come from on-road transportation), reducing vehicle maintenance and fuel costs, and enabling the use of more renewable power sources through the use of intelligent vehicle charging.

Staff released a request for proposals on April 24, 2018, asking dealers in both Mendocino and Sonoma Counties to partner with their respective manufacturers and provide standard discounts for anyone buying an electric car during a limited time period. The RFP was limited to new and used EVs. To be eligible for the program, EVs were required to meet the following minimum requirements, based on EPA Fuel Economy and Environmental rules:

- All-electric vehicles must have a range of at least 80 miles on a full battery charge.
- Plug-in hybrid vehicles must have a battery-only range of at least 25 miles on a full charge.

Beyond these minimum requirements, staff encouraged additional warranties, services or programs the car manufacturers and dealers were willing to extend to purchasers in the group discount program. These could include: battery warranty, extended battery warranty, recycling services for batteries, non-EV vehicle availability for occasional long trips, and rebates or incentives to offset the cost of EV charging equipment.

In May, staff received proposals from Jim Bone Nissan, Hansel BMW, Jim Bone Kia, Hansel VW, Hansel Ford, McConnell Chevrolet, McConnell Chrysler, Platinum Chevrolet, Silveira Chevrolet, Victory Chevrolet, and Autoworld Chrysler. All responses provided discounts for purchases and/or leases. Proposals from 4 dealer/manufacturers were not considered by staff because the discounts proposed were significantly lower than those proposed by the other respondents, and also less than a buyer could reasonably negotiate on their own. Staff have selected Jim Bone Nissan and Kia, Hansel BMW, Hansel Ford, Hansel VW, Platinum Chevrolet, and Autoworld Chrysler to move forward with contracting.

One of the lessons learned from the last two program iterations was that low-income customers are more likely to qualify for credit when purchasing a car than leasing one. However, the cost of purchasing new vehicles would still preclude
many low-income buyers. The RFP therefore allowed dealers to include used cars in their proposals and encouraged dealers to do so.

**Proposal:**

Staff is proposing additional EV incentives to continue the strong public interest in the Group Discount program, as well create media “buzz” around EVs that would be harder to achieve without the incentives. The proposed incentives are:

- $2,000 for EVs with greater than 80-mile range on a full charge (note: no plug-in hybrid vehicles with electric range below 70 miles were submitted),
- Additional $2,000 for low-income CARE & FERA qualified customers, for a total of $4,000 for CARE/FERA qualified customers

One of the lessons learned from the second iteration of the program was that the reduced CARE/FERA incentive of $1,500 ($3,500 in total) lead to a decrease in program participation among the CARE/FERA customers. For this reason, Staff is proposing increasing the CARE/FERA incentive to $2,000 ($4,000 in total) to encourage participation.

The proposed electric vehicle incentives would be funded within the previously-approved $8.9 million program budget, up to the maximum amount of $1,600,000 which would be sufficient to fund $2,000 incentives for 640 EVs for SCP customers and $4,000 incentives for an additional 160 SCP CARE/FERA customers on a first-come, first-served basis. For context, in Drive EverGreen 2.0, 524 incentives went to standard SCP customers and 43 incentives went to CARE/FERA customers. Therefore, this funding request represents a significant increase in participation over the 2017 program performance.

Staff estimates that the economic benefits of EVs to SCP are roughly comparable to the cost of the SCP incentives through the net income from energy sales, the direct market value generated by operating SCP’s demand response program, the value of avoided greenhouse gas emissions, and wholesale market cost savings. The estimates ignore other value streams such as low-carbon fuel standard credits and the “spillover” effect, where other drivers notice EVs more and the rate of EV adoption is accelerated.
In addition, there are value streams that are not captured by SCP, but which support the agency’s mission. These include maintenance and fuel cost savings for customers, increased markets for local solar vendors due to improved renewable integration, and local work to install equipment.

**Marketing and Education:**

Program Marketing and Education will include a customized website for promoting the discount program, registration to receive the SCP incentive (if approved), contact information for selected dealers, social media outreach, and collaboration with community organizations to help with word-of-mouth campaigns. A multimedia campaign is planned to support Drive EV, including TV, radio, outdoor, email, direct mail, online and print advertising. Additionally, there will be opportunities for display cars at community events SCP is participating in such as the Sonoma County Fair, Santa Rosa Wednesday Night Markets and Cloverdale Friday Night Live, to name a few.

Media outreach including print, radio, television, and targeted mailing is also planned. Media outreach will start one week before the Drive EV program’s start date and will continue throughout the program period.

The Participant Engagement phase will begin August 1 and continue through November 16, 2018. The timeline for the SCP EV Discount Program timeline is:

- Updated website launches and other media, and registration for Drive EV July 31.
- Official launch of Drive EV program August 1.
- Participant registration and education period starting August 1 and running through November 16, 2018.
- Final deadline for vehicle discounts November 16, 2018 (or upon use of all funds).
- Program evaluation period November 2018-February 2019.

Staff are in the process of finalizing agreements recognizing the specific discounts offered by the participating dealers and will present a table of vehicles and discounts at the Board meeting.
Additional Post-Purchase Incentives and Credits

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA Clean Vehicle Rebate Project</td>
<td>2,500</td>
</tr>
<tr>
<td>CA Clean Vehicle Rebate Project – Low Income Bonus¹</td>
<td>2,000</td>
</tr>
<tr>
<td>Federal Tax Credit – for purchase vehicles (up to)²</td>
<td>7,500</td>
</tr>
</tbody>
</table>

¹For consumers with household incomes less than or equal to 300 percent of the federal poverty level

²Claimed on the customer’s tax filing. Some leases may include the Federal Tax Credit and cannot be additionally claimed by the customer. Consult with a tax expert.

The northwestern portion of Sonoma County, shown in orange, may be eligible for additional incentives through the Northern Sonoma County Air Pollution Control District. Staff does not know the amounts for the incentive, as that will be determined by the Board of the Air Quality District at an upcoming meeting.

Air Quality District Boundaries
Staff Report – Item 05

To: Sonoma Clean Power Community Advisory Committee

From: Cordel Stillman, Director of Programs
Nelson Lomeli, Program Specialist
Geof Syphers, CEO

Issue: Review and recommend contract between Center for Sustainable Energy (CSE) and Sonoma Clean Power (Drive EV)

Date: May 24, 2018

Requested Committee Action:

Review and recommend to the Board of Directors a contract with Center for Sustainable Energy to implement and evaluate the Drive EV program.

Background:

Following an initial competitive solicitation, for the last two years, Staff has contracted with the Center for Sustainable Energy (CSE) to assist with the administration the Drive EverGreen programs. CSE is a credible non-profit organization that manages and evaluates other incentive programs for utilities and government entities ranging from energy efficiency and solar to alternative-fueled vehicles. This includes the administration of the Clean Vehicle Rebate Project for the State of California. CSE was selected as the administrator of the Drive EverGreen program as a result of a Request for Proposals for Electric Vehicle Program Design and Implementation that was issued in August of 2015. In their response, they proposed an incentive program that eventually became Drive EverGreen. Staff anticipates this being the last year SCP contracts with CSE to administer the incentive program.

To date, CSE has performed at a high level throughout the life of the program, turning around incentive applications within a day for most customers. They have done in excellent job in evaluating the program, producing two quality evaluation
reports and an informative Results Dashboard. Staff has been pleased with the level of work CSE has delivered to date.

**Contract:**
Staff is requesting approval of a new contract for work relating to the Drive EV program as CSE’s prior contract for Drive EverGreen 2.0 will be expiring at the end of this fiscal year. The proposed contract with CSE, with a not-to-exceed budget of $219,000, will include development and streamlining of processes and procedures necessary for program administration, assistance with dealership training and engagement, processing of customer applications and dealer payments, and full program evaluation report. For a full list of work, see the attached Scope of Work.

The attached contract is based on our Standard Services Agreement but still in draft format as it’s still pending legal review. The contract is similar to the contract CSE has executed before for Drive EverGreen Pilot and Drive EverGreen 2.0.
The attachments to this packet may be located online at:

https://sonomacleanpower.box.com/v/CAC
To: Sonoma Clean Power Authority Community Advisory Committee

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

Issue: Review and make a recommendation to the Board of Directors on proposed budget adjustments to FY 17/18 Budget

Date: May 24, 2018

Requested Committee Action

Review and make a recommendation to the Board of Directors on the proposed budget adjustments to the FY 17/18 budget.

Background

The existing SCPA budget was adopted on May 11, 2017. Since that time, several developments have occurred which require budget adjustments. The budgeted net increase in SCP’s forecast fund balance would be lower by about the amount of SCP’s building purchase and associated transactional expenses. Tables showing the current budget, proposed changes, and proposed revised budget are on the following two pages. A short description of these changes follows the tables.
## REVENUES AND OTHER SOURCES

<table>
<thead>
<tr>
<th></th>
<th>Rev 1 Budget FY17-18</th>
<th>Proposed Changes FY17-18</th>
<th>Proposed Rev 2 Budget FY17-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity Sales¹ (net of allowance)</td>
<td>175,021,000</td>
<td>-1,225,000</td>
<td>173,796,000</td>
</tr>
<tr>
<td>EverGreen Premium² (net of allowance)</td>
<td>258,000</td>
<td>134,000</td>
<td>392,000</td>
</tr>
<tr>
<td>CEC Grant Proceeds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td>319,000</td>
<td>156,000</td>
<td>475,000</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>175,598,000</strong></td>
<td><strong>-935,000</strong></td>
<td><strong>174,663,000</strong></td>
</tr>
</tbody>
</table>

## EXPENDITURES

### Product

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Proposed Changes FY17-18</th>
<th>Proposed Rev 2 Budget FY17-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Energy and Scheduling³</td>
<td>143,649,000</td>
<td>-1,006,000</td>
<td>142,643,000</td>
</tr>
<tr>
<td>Data Management</td>
<td>3,226,000</td>
<td></td>
<td>3,226,000</td>
</tr>
<tr>
<td>Service Fees to PG&amp;E</td>
<td>1,234,000</td>
<td></td>
<td>1,234,000</td>
</tr>
<tr>
<td><strong>Product Subtotal</strong></td>
<td><strong>148,109,000</strong></td>
<td><strong>-1,006,000</strong></td>
<td><strong>147,103,000</strong></td>
</tr>
</tbody>
</table>

|                        |           |                         |                               |
| Personnel              | 3,330,000 |                         | 3,330,000                     |
| Outreach and Communications | 951,000   |                         | 951,000                       |
| Customer Service       | 474,000   |                         | 474,000                       |
| General and Administration | 495,000   | 285,000                  | 780,000                       |
| Fire Relief Donations  | 1,000,000 |                         | 1,000,000                     |
## EXPENDITURES – continued

### Other Professional Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Revised FY17-18</th>
<th>Proposed Changes FY17-18</th>
<th>Revised Budget FY17-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal</td>
<td>370,000</td>
<td>370,000</td>
<td></td>
</tr>
<tr>
<td>Accounting</td>
<td>194,000</td>
<td>194,000</td>
<td></td>
</tr>
<tr>
<td>Technical</td>
<td>350,000</td>
<td>25,000</td>
<td>375,000</td>
</tr>
<tr>
<td>Legislative and regulatory advocacy</td>
<td>230,000</td>
<td>-65,000</td>
<td>165,000</td>
</tr>
<tr>
<td>Other consultants</td>
<td>215,000</td>
<td>-150,000</td>
<td>65,000</td>
</tr>
</tbody>
</table>

**Other Professional Services Subtotal**

<table>
<thead>
<tr>
<th>Revised FY17-18</th>
<th>Proposed Changes FY17-18</th>
<th>Revised Budget FY17-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,359,000</td>
<td>-190,000</td>
<td>1,169,000</td>
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</table>

### Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>Revised FY17-18</th>
<th>Proposed Changes FY17-18</th>
<th>Revised Budget FY17-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Implementation</td>
<td>5,650,000</td>
<td>5,650,000</td>
<td></td>
</tr>
<tr>
<td>CEC Grant Program$^4$</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Development and Evaluation</td>
<td>350,000</td>
<td></td>
<td>350,000</td>
</tr>
</tbody>
</table>

**Programs Subtotal**

<table>
<thead>
<tr>
<th>Revised FY17-18</th>
<th>Proposed Changes FY17-18</th>
<th>Revised Budget FY17-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,000,000</td>
<td>0</td>
<td>6,000,000</td>
</tr>
</tbody>
</table>

**Total Expenditures**

<table>
<thead>
<tr>
<th>Total Expenditures</th>
<th>Revised FY17-18</th>
<th>Proposed Changes FY17-18</th>
<th>Revised Budget FY17-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>161,718,000</td>
<td>-911,000</td>
<td>160,807,000</td>
<td></td>
</tr>
</tbody>
</table>

**Revenues Less Expenditures**

<table>
<thead>
<tr>
<th>Revenues Less Expenditures</th>
<th>Revised FY17-18</th>
<th>Proposed Changes FY17-18</th>
<th>Revised Budget FY17-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>13,880,000</td>
<td>-24,000</td>
<td>13,856,000</td>
<td></td>
</tr>
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### OTHER USES

<table>
<thead>
<tr>
<th>Use</th>
<th>Revised FY17-18</th>
<th>Proposed Changes FY17-18</th>
<th>Revised Budget FY17-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Outlay</td>
<td>164,000</td>
<td>3,200,000</td>
<td>3,364,000</td>
</tr>
<tr>
<td>Collateral Deposits</td>
<td>2,000,000</td>
<td></td>
<td>2,000,000</td>
</tr>
</tbody>
</table>

**Total Expenditures, Other Uses and Debt Service**

<table>
<thead>
<tr>
<th>Total Expenditures, Other Uses and Debt Service</th>
<th>Revised FY17-18</th>
<th>Proposed Changes FY17-18</th>
<th>Revised Budget FY17-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>163,882,000</td>
<td>2,289,000</td>
<td>166,171,000</td>
<td></td>
</tr>
</tbody>
</table>

**Net Increase/(Decrease) in Available Fund Balance**

<table>
<thead>
<tr>
<th>Net Increase/(Decrease) in Available Fund Balance</th>
<th>Revised FY17-18</th>
<th>Proposed Changes FY17-18</th>
<th>Revised Budget FY17-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>11,716,000</td>
<td>-3,224,000</td>
<td>8,492,000</td>
<td></td>
</tr>
</tbody>
</table>
Revenues

Adjustment to sales based on actual usage, including the effects of the wildfires, and all weather-related adjustments.

EverGreen sales are ahead of forecast, and the rise in interest rates is producing more income from deposits.

Product

Actual energy costs are lower than forecast by a similar amount as revenues, but the additional costs associated with returning the costs of final bills for burned homes is also included.

Technical Consultants/Legislative/Other Consultants

The Technical Consultant budgeted amount will need to be amended as amounts previously reported under Other Consultants are now correctly being categorized as Technical Consultants. The amount to be amended is based on average billing and remaining amounts on contracts thru the end of FY 17-18. The expenditures to the Technical Consultants have also been higher than anticipated due to increased PCIA/Regulatory-related work.

Legislative and Regulatory Advocacy is happening at a high pace, but the expenses have partially shifted toward CalCCA’s dues, and a lower amount of expenditures is needed this year out of this category.

The Other Consultants category will require a budget adjustment decreasing the amount, due to the transfer of some consultants to the Technical category, which is a more accurate placement.
**General and Administration**

The primary reason for the amendment to the G&A budget is an increase in CalCCA costs. The costs for the current FY are approximately $303,000, and are anticipated to be much less for the next FY as new members join. Some new members have not been able to pay dues as they are not serving customers, yet. SCP determined the need to help CalCCA become well established was worth the investment. CalCCA costs have been separated out into a single line item in the FY 18-19 Budget.

**Capital Outlay**

The large adjustment to the Capital Outlay budget is due to the anticipated purchase of a building to be used as the SCP business office. The Board of Directors authorized staff to make an offer and enter into contract on the building, but the current budget does not reflect the purchase. Staff is asking for a budget adjustment that would cover the purchase of the building and all associated inspections and closing costs. The costs for architectural services, planning, permits, construction and moving will be incorporated into the next two fiscal year budgets.
Staff Report – Item 07

To: Sonoma Clean Power Community Advisory Committee

From: Rachel Kuykendall, Programs Manager
Chad Asay, Programs Manager

Issue: California Energy Commission EPIC Grant 17-304 and Related Contracts

Date: May 24, 2018

Requested Committee Action:

Provide recommendation to the Board of Directors regarding the execution of the contract with the California Energy Commission to implement EPIC Grant 17-304 and associated contracts with Frontier Energy and DNV-GL.

Background:

On January 4th, 2017, Sonoma Clean Power issued a Request for Proposals (RFP) for “Technical Assistance for Zero Energy Buildings Including End-Use Fuel Switching.” The goal of this RFP was to develop master contracts with firms that could provide as-needed services related to energy efficiency, fuel switching, and “zero net energy” strategies, and to help identify funding sources to help accomplish these goals. As a result of this competitive RFP, SCP entered into contracts with five consulting firms, including Frontier Energy and DNV-GL.

Frontier Energy is an umbrella organization comprised of a diverse group of consultants including BKi and Davis Energy Group. BKi has previously helped implement Marin Clean Energy and Lancaster Choice Energy’s energy efficiency programs. Davis Energy Group has significant experience in technology and energy code research.
DNV-GL has strong experience performing market assessments and Evaluation, Measurement and Verification (EM&V) for the CPUC and CEC.

In October 2017, Frontier Energy and DNV-GL advised SCP about a promising grant through the California Energy Commission and proposed partnering on an application for the grant. The CEC’s EPIC Grant GFO 17-304 would provide just over $9.8 million in funding for programmatic strategies that could lead to a doubling of energy efficiency savings in existing buildings over a three-year period. On November 30th, 2017, SCP applied for EPIC Grant 17-304.

To apply for the grant, SCP was required to identify a team, including contractors and subcontractors, who would carry out activities funded by the grant. The team was comprised of SCP as lead, with Frontier Energy, DNV-GL, and various technology-specific subcontractors that will be managed by Frontier Energy. The team’s proposal focuses on a series of applied research projects evaluating emerging technologies such as phase-change materials, heat-pump water heaters, and advanced lighting controls in commercial buildings. The bulk of the grant’s budget would go towards building out a physical Energy Marketplace, which would be a storefront offering energy products, training, and contractor referrals. The marketplace will feature emerging technologies and established energy savings items that SCP customers could see, test, and directly buy. Additionally, the marketplace would feature a series of technology-related training sessions for building inspectors, contactors, consumers, and energy consultants.

In early February, SCP was told by the California Energy Commission that SCP would be awarded the grant. Commission staff voted to approve the attached scope of work and budget at the May Commission meeting. SCP staff will request approval by the Board of Directors at its June meeting of the contract with the California Energy Commission, including match funding of $3 million, as well as subcontractor agreements with Frontier Energy ($6.3 million total) and DNV-GL ($1.3 million). The Frontier Energy and DNV-GL agreements are based upon SCP’s standard professional services contract form. The contracts are still in the process of legal review, but the scope of work and budgets will not change. Any changes to the draft contracts are anticipated to involve only minor revisions and will be subject to review and approval by the General Counsel.
Staff is seeking the Committee’s recommendation to the Board of Directors to approve the contracts with the CEC, Frontier Energy, and DNV-GL, which will include an obligation on the part of SCP to contribute approximately $3 million in matching funds over the program period. As previously reported, the matching funds will consist of both budgeted program dollars and in-kind contributions (mainly staff time). The expected program dollar commitment for the next fiscal year is $440,000 as shown in a footnote on the adopted budget.
The attachments to this packet may be located online at: https://sonomacleanpower.box.com/v/CAC
Staff Report – Item 08

To: Sonoma Clean Power Authority Community Advisory Committee

From: CB Hall, Compliance Analyst
Rebecca Simonson, Power Services Manager
Neal Reardon, Regulatory Affairs Directors
Deb Emerson, Director of Power Services
CEO Geof Syphers

Issue: Review and recommend Board adoption of Exhibit A of SCP’s Integrated Resource Plan

Date: May 25, 2018

Requested Committee Action:

Recommendation adoption of Exhibit A of SCP’s 2018 Integrated Resource Plan (IRP).

Background:

A final version of Exhibit A is due as a compliance filing to the California Public Utilities Commission (CPUC) before August 1, 2018. It consists of specific elements of SCP’s full IRP, and remains subject to minor edits based on an additional CPUC ruling due in the next few days.

In October 2015, California passed SB 350, which requires the CPUC to establish and oversee an Integrated Resource Planning (IRP) process. IRPs, used in many states across the US, are generally 10-20 year plans that map out both the supply-side and demand-side resources required for meeting customer load. In California, SB 350 has driven Integrated Resource Planning towards a more specific goal:
helping the State meet its ambitious GHG-reduction targets (40% below 1990 levels by 2030). Accordingly, the CPUC’s IRP framework is centered around GHG emissions.

In accordance with the CPUC’s February 8, 2018 Decision, which requests that CCAs share specific elements of their Integrated Resource Plans (IRPs) with the CPUC by August 1, 2018, SCP has developed Exhibit A, which is comprised of a short report that is attached to CPUC data templates. This Exhibit A will be included in SCP’s full 2018 IRP, which staff is planning to finalize and post to SCP’s website in September 2018.

Staff is requesting that the CAC review this initial draft, with the understanding that a subsequent draft will be produced and shared in June, as SCP is waiting for the CPUC to issue a new IRP-related ruling that will likely changes some of the templates and instructions.

As is made clear in the report, staff identify concerns with the CPUC’s methodology for reporting, and encourages the use of SCP’s best available data, which will be shared in the full IRP and discussed in future Committee and Board meetings. The reporting in Exhibit A, however, is constrained by the CPUC’s rules, and is fairly inflexible for this compliance filing.
SONOMA CLEAN POWER AUTHORITY

2018 INTEGRATED RESOURCE PLAN EXHIBIT A

APPROVED BY SCPA BOARD ON

SUBMITTED TO THE CPUC ON JULY 27, 2018

SCP Legend
Yellow: need to finalize before CPUC submission
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1. Executive Summary

Sonoma Clean Power Authority (SCP) is a Community Choice Aggregator (CCA), a public agency and Load Serving Entity (LSE) formed under California Assembly Bill 117 (2002). SCP is structured as a Joint Powers Authority and is governed by a Board of Directors comprised of elected officials from the counties, towns and cities of its service territory. SCP began serving customers in May 2014 and today serves approximately 222,000 accounts across Sonoma and Mendocino counties.

In accordance with California Public Utilities Commission (CPUC) Decision 18-02-018, which requests that CCAs share specific elements of their Integrated Resource Plans (IRPs) with the CPUC by August 1, 2018, SCP hereby submits Exhibit A of its 2018 IRP. Exhibit A consists of four templates (one document and three spreadsheets), as provided by the CPUC. With input from its Community Advisory Committee and with approval from its Board of Directors on MM/DD, 2018, SCP makes this submission on July 27, 2018.

DISCLAIMER: While SCP fully supports the goal of sharing information to support long-term statewide resource planning, it cautions against relying on the results contained in this Exhibit A, which is based on CPUC templates and methodologies that create significant inaccuracies (as detailed in Table 3 below) when applied to an individual LSE. Instead, SCP recommends that statewide resource planning rely on the results found in SCP’s full 2018 IRP, which is currently being finalized and will be posted to SCP’s website in September 2018. In addition to sharing SCP’s best available information on customer load, generation resources and other important data, SCP’s 2018 IRP will include a full overview of the agency and its customer programs, a chapter on its values and goals, a chapter explaining its portfolio-related regulatory requirements and several chapters that detail its procurement processes.

In order to produce Exhibit A, SCP has estimated the resources it will need in 2030 to meet its California Energy Commission (CEC) forecasted load, published by the CEC on February 16, 2018 as part of the 2017 IEPR. With these estimated resources and its CEC-published load forecast, SCP has used the CPUC’s “GHG Calculator for IRP v1.3” to calculate that its GHG emissions in 2030 will be 0.165 MMT, significantly below the 0.445 MMT benchmark provided by the CPUC. Accordingly, SCP’s estimated 2030 portfolio meets the CPUC’s definition of “conforming.”

Importantly, the estimated resources listed in Exhibit A are for CPUC planning purposes only and do not represent a procurement commitment by SCP.

As requested by the CPUC, SCP’s Exhibit A includes 3 attachments:

- Attachment 1: a completed version of the CPUC’s Baseline Resource Data Template
- Attachment 2: a completed version of the CPUC’s New Resource Data Template
- Attachment 3: a completed version of the CPUC’s GHG Calculator for IRP v1.3
2. Study Design

a. Objectives

At the highest level, the objective of SCP’s 2018 IRP Exhibit A is to share with the CPUC SCP’s conforming planned portfolio for 2030.

More specifically, the objectives of SCP’s 2018 IRP Exhibit A are as follows: (A) to demonstrate that SCP has a resource plan to meet its CEC 2017 IEPR load forecast through 2030; (B) to demonstrate that SCP’s resource plan meets the 2030 GHG Emissions Benchmark of 0.445 MMT, when calculated using the CPUC’s GHG Calculator for IRP v1.3; (C) to point out the key inaccuracies of the methodologies underlying Exhibit A.

CEC’s Adopted 2017 IEPR Forecast
Mid Baseline mid AAEE mid AAPV version of Form 1.1c
Published by the CEC on February 16, 2018

<table>
<thead>
<tr>
<th>Metric</th>
<th>Unit</th>
<th>2018</th>
<th>2022</th>
<th>2026</th>
<th>2030</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managed Retail Sales Forecast for Sonoma Clean Power Authority</td>
<td>GWh</td>
<td>2,665</td>
<td>2,598</td>
<td>2,550</td>
<td>2,507</td>
<td>See Form 1.1c. Includes effect of BTM PV, AAEE etc.</td>
</tr>
</tbody>
</table>

*Note: See disclaimer on data accuracy in the Executive Summary and Table 3.

2030 GHG Emissions
SCP must demonstrate that its estimated 2030 GHG emissions, when calculated using the CPUC’s GHG Calculator for IRP v1.3, will be equal to or less than the CPUC Benchmark for SCP, as stated in the CPUC’s 4/3/18 Order.

<table>
<thead>
<tr>
<th>Metric</th>
<th>2030 GHG Emissions (MMT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPUC Benchmark for SCP, Per 4/3/18 Order</td>
<td>0.445</td>
</tr>
</tbody>
</table>
### Key Inaccuracies Underlying Exhibit A

As mentioned in the Executive Summary above, SCP cautions against relying on the results contained in this Exhibit A, which are based on current CPUC templates and methodologies that are inaccurate for individual LSEs. The inaccuracies of the CPUC methodology as they relate to SCP are as follows:

#### Table 3

<table>
<thead>
<tr>
<th>Category</th>
<th>Exhibit A</th>
<th>SCP 2018 IRP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Load Forecast</td>
<td>CEC 2017 IEPR Mid Baseline mid AAEE mid AAPV Form 1.1c Does not incorporate local and LSE-specific forecasts</td>
<td>SCP-specific assumptions on: - population growth - housing stock and fire rebuild efforts in Sonoma and Mendocino Counties - SCP opt-out rate - Electric vehicle growth - Other Electrification - BTM Solar - Expected energy efficiency - T&amp;D losses, Unaccounted for Energy</td>
</tr>
<tr>
<td>Hourly Load Profile</td>
<td>Provided by CPUC in GHG Calculator for IRP v1.3. Assumes same profile for all LSEs</td>
<td>Developed internally by SCP, using up-to-date metered data and location-specific trends</td>
</tr>
<tr>
<td>Hourly Resource Profile</td>
<td>Provided by CPUC in GHG Calculator for IRP v1.3</td>
<td>Based on resource and location-specific forecasts</td>
</tr>
<tr>
<td>Resource Curtailments</td>
<td>Based on LSE-specific balance between supply and demand, per GHG Calculator for IRP v1.3. Ignores the purpose and functions of CAISO</td>
<td>Takes into account the purpose and functions of CAISO</td>
</tr>
<tr>
<td>GHG Emissions Target</td>
<td>CPUC Benchmark for SCP (Per 4/3/18 Order): 0.445 MMT</td>
<td>SCP Emissions intensity target: 0.0375 MT / MWh</td>
</tr>
<tr>
<td>GHG Emissions Calculation</td>
<td>Calculation done using the CPUC’s GHG Calculator for IRP v1.3. This calculator does not recognize PCC 2 resources as GHG-free, even when the imported physical energy is from a GHG-free resource</td>
<td>Calculation done internally (using an annual calculation in line with The Climate Registry) and recognizes PCC 2 resources as GHG-free</td>
</tr>
<tr>
<td>Renewables Portfolio Standard (RPS) Target</td>
<td>No specific RPS target stated</td>
<td>50% RPS by 2020 and thereafter</td>
</tr>
<tr>
<td>RPS Calculation</td>
<td>No RPS calculation stated, but GHG methodology is inconsistent with RPS program</td>
<td>Includes PCC 2 as eligible renewable resources, per CPUC rules</td>
</tr>
</tbody>
</table>
b. Methodology

i. Modeling Tool(s)

To produce Exhibit A, SCP used the CPUC’s GHG Calculator for IRP v1.3 (attachment 3) in conjunction with the CEC’s 2017 IEPR load forecast.

ii. Modeling Approach

To produce Exhibit A, SCP used the templates provided by the CPUC to create one conforming portfolio.

iii. Assumptions

SCP has listed its conforming portfolio in the two resource data templates provided by the CPUC: Baseline Resource Data Template (attachment 1); New Resource Data Template (attachment 2). In addition, SCP has used the CPUC’s GHG Calculator for IRP v1.3 (attachment 3) to calculate its 2030 emissions. To produce Exhibit A, SCP is therefore relying upon the assumptions incorporated into the GHG calculator.

SCP notes a potential source of confusion:

In the Baseline and New Resource Data Templates, SCP provided its best estimates of energy production. Such estimates may not necessarily match the energy production figures from the GHG Calculator, as the Calculator automatically uses default resource profiles rather than project-specific profiles.

3. Study Results

a. Portfolio Results

For Exhibit A, SCP is submitting one portfolio, its “conforming” portfolio. SCP’s conforming portfolio consists of the resources listed in the Baseline Resource Data Template (attachment 1) and in the New Resource Data Template (attachment 2). SCP’s conforming portfolio consists of the following types of resources:

Geothermal (RPS Portfolio Content Category 1)
SCP currently has 50 MW of geothermal resources under contract, and SCP’s estimated 2030 portfolio assumes that comparable resources will be procured through 2030.

Solar (RPS Portfolio Content Category 1)
SCP currently has 70 MW of utility-scale solar and 6 MW of Feed-In-Tariff Solar under contract, and SCP’s estimated 2030 portfolio assumes that its total solar portfolio will grow to 146 MW.
Wind (RPS Portfolio Content Category 1)
SCP currently has 46 MW of utility-scale wind under contract, and SCP’s estimated 2030 portfolio assumes that its utility-scale wind portfolio will grow to 126 MW.

Large Hydro
SCP currently has several energy contracts for large hydro. Using the “Hydro Dispatch” assumptions from the CPUC’s GHG Calculator, SCP has calculated that such energy contracts are equivalent to 374 MW in 2018. SCP’s estimated 2030 portfolio assumes that such contracts will grow to an equivalent capacity figure of 414 MW, again based on the “Hydro Dispatch” assumptions from the CPUC’s GHG Calculator.

RPS Portfolio Content Category 2
SCP currently has energy contracts for renewable power that is generated within the Western Interconnection and delivered (using substitute power) to CAISO within the calendar year. Such contracts are known as Portfolio Content Category 2 (PCC 2) and qualify as renewable contracts under California RPS regulations. Unfortunately, the CPUC’s GHG Calculator does not allow such contracts to be treated as GHG-free, even when the firming and shaping energy (delivered to CAISO) is generated by a GHG-free facility. As a result, SCP did not enter its current PCC 2 contracts into the GHG calculator, and SCP’s 2030 conforming portfolio does not include any PCC 2 contracts.

Storage
In accordance with CPUC Decision 13-10-040, SCP must demonstrate storage equal to at least 1% of its 2020 annual peak load (currently estimated at 512 MW), with such systems online and delivering by the end of 2024. Accordingly, SCP’s current target for storage is 5.12 MW. However, since SCP is also allowed to count portions of customer-installed storage projects towards its 1% requirement, its plans on procuring 5 MW of storage and has accordingly listed such capacity in its New Resource Data Template (attachment 2) starting in 2023. SCP has also listed such capacity of storage in the GHG Calculator (attachment 3) for 2026 through 2030.

CAISO System Power
SCP bids/schedules all of its load and contracted supply into the markets run by the California Independent System Operator (CAISO), the largest of 38 balancing authorities that comprise the Western Interconnection. From a net settlements perspective, this means that SCP buys CAISO system power when its load is greater than its contracted supply, and SCP sells power to the CAISO when its contracted supply is greater than its load.

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1 SCP’s energy storage procurement obligation is subject to an “automatic limiter,” per CPUC D.17-04-039, that proportionately reduces SCP’s one percent procurement obligation by the amount that SCP’s own procurement plus its customers’ share of non-bypassable charges exceeds PG&E’s bundled customer obligation as a percentage of load.
**Resource Adequacy (RA)-Only**
SCP currently has numerous RA-only contracts that it uses to supplement its long-term RA provided by its RPS PCC 1 contracts to comply with California’s Resource Adequacy (RA) program. The RA program requires LSEs to demonstrate specific quantities of system, local and flexible capacity in the year-ahead and month-ahead time frames. SCP has listed its current RA-only contracts in the Baseline Resource Data Template, but (in accordance with CPUC instructions) SCP has not listed any estimated future RA-only contracts. However, SCP will continue to fully comply with all RA requirements, and SCP will continue its practice of procuring long-term, multi-year, year-ahead and month-ahead RA.

**2030 GHG Results**
As highlighted in Table 4 directly below, SCP’s estimated 2030 GHG emissions, when calculated using the CPUC’s GHG Calculator, are significantly less than the CPUC Benchmark for SCP, as stated in the CPUC’s 4/3/18 Order. For more detail, please refer to SCP’s completed version of the CPUC’s GHG Calculator (attachment 3).

<table>
<thead>
<tr>
<th> </th>
<th>2030 GHG Emissions (MMT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPUC Benchmark for SCP, Per 4/3/18 Order</td>
<td>0.445</td>
</tr>
<tr>
<td>SCP Calculation, Using GHG Calculator for IRP v1.3</td>
<td>0.165</td>
</tr>
</tbody>
</table>

Note: SCP’s forecasted 2030 GHG emissions are even lower than what is listed above, due to inaccuracies embedded in the GHG Calculator. For example, the GHG Calculator does not recognize PCC 2 resources as GHG-free, even when the firming and shaping energy (delivered to CAISO) is generated by a GHG-free facility.

**b. Preferred Portfolio**
SCP requests that the Commission certify the completeness of this Exhibit A, which contains SCP’s conforming portfolio, as summarized above in Section 3a. SCP’s conforming portfolio is consistent with each relevant statutory and administrative requirement stated in Public Utilities Code Section 454.52(a)(1):

(a) (1) Beginning in 2017, and to be updated regularly thereafter, the commission shall adopt a process for each load-serving entity, as defined in Section 380, to file an integrated resource plan, and a schedule for periodic updates to the plan, to ensure that load-serving entities do the following:

(A) Meet the greenhouse gas emissions reduction targets established by the State Air Resources Board, in coordination with the commission and the Energy Commission, for the electricity sector and each load-serving entity that reflect the electricity sector’s percentage in achieving the economywide greenhouse gas emissions reductions of 40 percent from 1990 levels by 2030.
SCP has demonstrated that its conforming portfolio 2030 GHG emissions, when calculated using the CPUC’s GHG Calculator for IRP v1.3, are significantly less than the CPUC Benchmark for SCP, as stated in the CPUC’s 4/3/18 Order. For more detail, please refer to SCP’s completed version of the CPUC’s GHG Calculator (attachment 3).

(B) Procure at least 50 percent eligible renewable energy resources by December 31, 2030, consistent with Article 16 (commencing with Section 399.11) of Chapter 2.3.

Through its conforming portfolio (listed in attachments 2 and 3) SCP has demonstrated that it will achieve 50% RPS before 2030.

(C) Enable each electrical corporation to fulfill its obligation to serve its customers at just and reasonable rates.

Under the direction of its Board of Directors, SCP sets rates that are competitive with the rates of PG&E. Since SCP’s launch in 2014 through 2017, SCP has saved its customers $79.4 million, despite its customers having to pay $193.9 million of Power Charge Indifference Adjustment (PCIA) and Franchise Fee charges. As a public agency with no fiduciary obligation to shareholders, any revenues in excess of cost-to-serve are returned to ratepayers via rate reductions or customer programs. SCP’s customers pay for and receive the CARE and FERA discounts and Medical Baseline, as these programs operate through the delivery charges and are available to all eligible bundled and unbundled customers.

(D) Minimize impacts on ratepayers’ bills.

In addition to setting rates that are competitive with PG&E, SCP works to minimize rate volatility by constructing a balanced and conservatively-hedged power supply portfolio, building significant financial reserves and by making rate changes only once per year whenever possible. SCP has invested significant financial and human resources to reduce the volatility of the PCIA, which represents approximately a third of generation rate charges.

(E) Ensure system and local reliability.

In order to meet CPUC and CAISO Resource Adequacy (RA) requirements, SCP procures system, local and flexible RA on a long-term, multi-year, year-ahead and month-ahead basis. In addition, SCP works to structure its supply portfolio in a manner that minimizes the hourly imbalances between its load and supply.
(F) *Strengthen the diversity, sustainability, and resilience of the bulk transmission and distribution systems, and local communities.*

As part of its core mission, SCP works to make the bulk electric system more diverse, sustainable and resilient. For example, SCP procures power from a variety of generation technologies with geographic diversity (minimizing risk associated with congestion and losses) and across a spectrum of capacities (from small Feed-In-Tariff projects to large utility-scale projects). SCP carefully evaluates the long-term generation load-matching and congestion risks of new resources and weighs its options in the context of its existing supply and net demand on an hourly basis for the full duration of any contract period.

(G) *Enhance distribution systems and demand-side energy management.*

SCP has a number of customer programs that are designed to enhance distribution systems and demand-side energy management. For example, SCP is creating a platform (called GridSavvy) to allow the aggregation and automated dispatch of EV charging stations, heat pump water heaters, smart thermostats and other technologies to support grid reliability and integrate with CAISO and other markets, with a goal of reducing reliance on natural gas power for hourly shaping services.

(H) *Minimize localized air pollutants and other greenhouse gas emissions, with early priority on disadvantaged communities identified pursuant to Section 39711 of the Health and Safety Code.*

Please refer to the section directly below

i. **Local Air Pollutant Minimization and Disadvantaged Communities**

As part of its core mission, SCP works to minimize criteria air pollutants. For this reason, SCP has a clean supply portfolio that depends in large part on zero-emission generation technologies. In addition, SCP is actively working to promote the adoption of electric vehicles in its service territory. Through its Drive EV Program, SCP enables bulk discounts averaging more than $11,000 per car for the purchase or lease of electric vehicles. Since the fall of 2016, 773 electric vehicles have been sold or leased through the program. SCP also provides nearly free grid-enabled EV charging equipment. As of April 23, 2018, SCP had deployed 1,580 Level 2 smart-grid charging units, with more than 500 customers opting to enroll their equipment in SCP's automated demand response program to promote renewable integration and reliability.

As required by the CPUC, SCP has used CalEnviroScreen 3.0 to identify one census tract within SCP's service territory that is within the top 25% of impacted census tracts on a statewide basis, based on overall score. However, the pollution burden percentile in this tract is not identified as being within the top 25%. SCP estimates that this tract
represents 1.3% of its service territory. SCP does not have any power supply contracts with resources located in or adjacent to this tract.

More generally, SCP is highly committed to helping its local communities. As part of this commitment, SCP is helping to rebuild the communities impacted by the October 2017 wildfires. More specifically, SCP lent staff to manage the protection of creeks and watersheds, committed $1 million to relief efforts and aided in coordinating funding requests for the region. SCP has recruited PG&E to partner on a joint program for the rebuild effort to incentivize deep energy efficiency, EV charging, onsite renewable energy with storage, and the avoidance of natural gas connections. Finally, SCP is exploring an expansion of community solar that could be used for future Title 24 energy compliance to help enable infill housing and not discriminate against denser urban development. Customers would be able to pre-purchase a 20-year commitment to local, renewable energy. This customer payment would be used to help facilitate the development of additional clean energy resources.

ii. Cost and Rate Analysis

Under the direction of its Board of Directors and with the recommendation of its Community Advisory Committee along with input from the public, SCP sets its rates in accordance with its Board-approved financial policies.

To support the development of new generation resources to ensure electric reliability, the CPUC adopted the Cost Allocation Mechanism (CAM), which allows the costs and benefits of new generation to be shared by all benefiting customers in an IOU’s service territory. Accordingly, on a quarterly basis, SCP is currently allocated Resource Adequacy volumes, and SCP’s customers pay for the corresponding costs.

Unfortunately, SCP has very little visibility into or control over the amount of RA that it will be allocated through CAM, which therefore makes RA procurement more difficult and can result in over-procurement. In addition, the existing rules limit CAM reliability resources to those procured by IOUs.

c. Deviations from Current Resource Plans

As required by the CPUC, SCP submitted an RPS Procurement Plan on 7/21/18. While much of the data within SCP’s RPS Procurement Plan is consistent with this Exhibit A, there are a few key differences:

1. SCP’s RPS Procurement Plan is based on its own retail sales forecast (updated, local and LSE-specific), whereas Exhibit A is based on the CEC’s 2017 IEPR forecast. Please refer back to Table 3 for more detail.

2. SCP’s RPS Procurement Plan is based on unit-specific anticipated generation output, consistent with the CPUC’s Baseline and New Resource Data Templates. In contrast, the CPUC’s GHG Calculator is based on generic profiles that do not match the locational, technology and unit-specific forecasts.
3. SCP’s RPS Procurement Plan includes RPS PCC 2 resources, consistent with the CPUC’s Baseline Resource Data Templates. In contrast, the CPUC’s GHG Calculator does not allow PCC 2 resources to be entered as GHG-free resources, even when the firming and shaping energy (delivered to CAISO) is generated by a GHG-free facility.

d. Local Needs Analysis

In accordance with CPUC and CAISO Resource Adequacy (RA) requirements, SCP procures system, local and flexible RA on a long-term, multi-year, year-ahead and month-ahead time frames. In order to meet its local RA requirements, SCP must demonstrate that it has secured capacity in specific transmission-constrained (i.e., “local”) areas equal to its assigned share of the CAISO’s need for each month of the year. For the year-ahead filing (October 31st of the preceding year), SCP must demonstrate 100% of its assigned local capacity requirements for each month of the coming year. The assigned requirement for each local area is one MW quantity for the entire year, but SCP must show that it has secured enough capacity in each month to meet this quantity.

SCP will continue to fully comply with all RA requirements, and SCP will continue its practice of procuring long-term, multi-year, year-ahead and month-ahead RA.

4. Action Plan

a. Proposed Activities

SCP’s procurement activities are structured to meet compliance obligations and internal goals. The exact portfolio characteristics selected must constantly adapt to legislative and policy changes, technological improvements, and new information about markets and risk. To manage this future uncertainty, SCP continuously examines and estimates supply and customer demand, including demand trends as they relate to population of customers served, climate, energy efficiency, distributed generation, electrification of vehicles and buildings, and emerging industries. SCP structures its procurement efforts to balance customer demand with resource commitments. SCP also considers the deliverability characteristics of its resources and reviews the respective risks associated with short and long-term purchases as part of its forecasting and procurement processes. These efforts have led to a diverse resource mix that addresses grid integration issues, closely matches our electrical supply to our customers’ demand and reduces ratepayer risk. SCP examines the need to procure new resources when significant change in load is expected to occur (e.g. phasing in new territories). If further procurement is deemed necessary, Requests for Offers (RFOs) to fill these needs are issued to the market and offers are assessed to determine the best outcome for SCP’s portfolio.

With respect to disadvantaged communities as defined by CalEnviroScreen 3.0, SCP has one existing resource and two potential new resources located in such communities. All three resources are solar photovoltaic resources that do not contribute to pollution burden.
b. Barrier Analysis

For procurement decisions, SCP considers market factors which may include the following:

- Market price risks (CAISO LMPs, RA prices, RPS prices, Specified-source prices, etc.)
- Counterparty credit risk
- Curtailments
- Variance from load forecasts
- SCP’s customer participation/opt-out rate
- Assignment of unplanned resources (for example, through CAM, RMR, CPM)
- Legislative and regulatory changes (for example, RA, RPS, PSD requirements)

c. Proposed Commission Direction

This section is not applicable to CCAs.

5. Data

a. Baseline Resource Data Template

SCP has included its completed version of the CPUC’s Baseline Resource Data Template.

b. New Resource Data Template

SCP has included its completed version of the CPUC’s New Resource Data Template.

c. Other Data Reporting Guidelines

SCP has included its completed version of the CPUC’s GHG Calculator for IRP v1.3.

6. Lessons Learned

While some of the simplifications made by the CPUC in its templates and instructions are likely necessary for making a standard reporting process accessible and understandable, SCP cautions against using the numbers reported under this framework for resource planning purposes. Exhibit A does not represent the best available data about SCP’s resources, load or program impacts, which is why we encourage the commission to use SCP’s full IRP for planning purposes. We are also committed to working collaboratively with the CPUC on finding ways to improve this process so that better data can be shared across LSEs.

While the late instructions on the process made this challenging, SCP is grateful for the implementation-related conversations with CPUC staff that began in the spring of 2018. These conversations greatly helped to clarify how to interpret the CPUC’s templates.