AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, July 12, 2018
8:45 A.M.

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

I. CALL TO ORDER

II. BOARD OF DIRECTORS CONSENT CALENDAR
   1. Approve June 7, 2018 minutes of the SCPA Board of Directors meeting

III. BOARD OF DIRECTORS REGULAR CALENDAR
   2. Presentation on Carbon Fee and Dividend from Citizens Climate Lobby and provide direction as appropriate
   3. Presentation of updated brand story and identity
   4. Receive Internal Operations and Monthly Financial Report and provide direction as needed
   5. Receive Legislative and Regulatory Updates and provide direction as appropriate
   6. Approve the submittal of Exhibit A of SCP’s Integrated Resource Plan to the California Public Utilities Commission
   7. Approve incentives for EV Charger program
   8. Appoint ad hoc committee of the Board to review the CEO’s performance

IV. BOARD MEMBER ANNOUNCEMENTS

V. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA
   Comments are restricted to matters within the Board jurisdiction. Please be brief and limit comments to three minutes.

VI. ADJOURN

DISABLED ACCOMMODATION: If you have a disability which requires an accommodation, an alternative format, or requires another person to assist you while attending this meeting, please contact the Clerk of the Board at (707) 978-3467, as soon as possible to ensure arrangements for accommodation.
I. CALL TO ORDER

The meeting was called to order by Chair Hamburg at 8:45 A.M.

Present: Chair Hamburg, Directors Kearny, Hamburg, Landman, Slayter, Hopkins, Ahanotu, Peters and alternates Cook and Walter

Staff: Geof Syphers, CEO, Stephanie Reynolds, Director of Internal Operations and Steve Shupe, General Counsel

The Board moved to closed session at 8:46 AM

II. CLOSED SESSION

1. The Board of Directors of the Sonoma Clean Power Authority will consider the following in closed session: PUBLIC EMPLOYEE APPOINTMENT -- Title: General Counsel (Govt. Code Section 54957); CONFERENCE WITH LABOR NEGOTIATORS -- Agency designated representatives: Geof Syphers, CEO and Stephanie Reynolds, Director, Internal Operations, Unrepresented employee: General Counsel (Govt. Code Section 54957.6)

The Board returned from closed session at 9:35 AM

Chair Hamburg reported out of closed session and stated appointment was approved

Motion to appoint Jessica Mulan as SCPA's new General Counsel by Director Landman
Second: Director Kearny

Motion Passed: 10-0-0

III. BOARD OF DIRECTORS CONSENT CALENDAR

2. Approve May 3, 2018 minutes of the SCPA Board of Directors meeting
Director Kearny stated typo Kearns should be Kearny

Public Comment: None

Motion to approve May 3, 2018 minutes of the SCPA Board of Directors meeting with correction by Director Peters

Second: Director Hopkins

Motion passed: 8-0-2 (Alternates Cook and Walter abstained)

IV. BOARD OF DIRECTORS REGULAR CALENDAR

3. Review and approve Employment Agreement – General Counsel

Chair Hamburg stated item 3 will be taken out of order (see item later in minutes).

4. Receive Internal Operations and Monthly Financial Report and provide direction as appropriate

Director of Internal Operations, Stephanie Reynolds introduced our new lead locally Programs Manager Chad Asay, stated the new Programs intern will start soon and new Administrative Services Officer position has been posted. She also reported on building purchase, the RFQ for architectural services, Drive EV 3.0, programs grant and financial statements.

CEO Syphers stated CalCCA is working on a joint powers agreement in order for CCAs to be able to do joint procurement and SCP staff attended the business of local energy symposium.

Director Landman asked about work being done specifically for disadvantaged communities. CEO Syphers stated he believes it is a good time to start developing feasibility grants to help start up CCAs in disadvantaged communities.

Director Slayter ask how a credit rating can help us. CEO Syphers stated it will depend on circumstances but can help reduce average costs for long term contracts and give us a stronger political position.

Public Comment:

Nina Turner, Center of Climate Protection commented if there is any plans for other programs that are serving low income.

CEO responded that SCP programs support every level of income, such as DIY Toolkits and SCP constantly asks how we can reach customers who are hard to reach. He stated SCP can always do
more and welcomes ideas.

Nelson Lomeli, Programs Specialist stated SCP recently sent mailers to customers in collaboration with Grid Alternatives to promote no-cost solar installations for low-income households.

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

CEO Syphers gave legislative updates and reviewed AB 213, AB 1088, a CPUC White paper and PCIA.

Director Peters asked how PCIA is calculated.

CEO Syphers stated he feels that the calculation is being done correctly but the formula is not accurate.

Director Slayter stated he feels the letter in Green Book is insulting, derogatory and incorrect.

Director Landman stated the councilmember legislative committee stance is oppose unless amended on SB 1088.

Director Kearny recused himself on SB 1088 discussion due to a potential conflict of interest.

Public Comment:

Duane DeWitt, Roseland resident stated he would like to see SCP support Santa Rosa “neighborwoods,” a kind of heavily forested neighborhood, to reduce GHGs.

6. Approve Drive EV incentives on electric cars

Nelson Lomeli, Programs Specialist, stated incentives for Drive EV 3.0. He stated the program is very similar to previous years except CARE/FERA incentive increased, and used vehicles were added. SCP is currently in negotiation status with dealerships.

CEO Syphers stated that this should be our last Drive EV because SCP wants to focus on charging infrastructure, and because the variety of available cars continues to grow.

CM Mattinson stated the CAC unanimously recommends approval of the Drive EV incentives.

Director Kearny appreciated the outreach to Petaluma dealership and all service territory.

Director Hopkins gave an update on behalf of the Northern Sonoma County
Air Pollution Control District on changing the 3-2-1 Go Green incentive to “Go Green,” changing incentive amounts and adding other limitations. She reiterated the need for public EV charging infrastructure.

Chair Hamburg stated strong support and benefits for Drive EV.

Public Comment: None

Motion to approve the Drive EV incentives on electric cars by Director Slayter.

Second: Director Kearny
Motion approved: 10-0-0

7. Approve contract with Center for Sustainable Energy (CSE) for services during Drive EV program.

Nelson Lomeli introduced contract with CSE for implementation of Drive EV 3.0 and changes to contract.

Alternate Bagby asked about application process. Nelson Lomeli explained process and issues that CSE would deal with.

Public Comment: None

Motion to approve contract with Center for Sustainable Energy (CSE) for services during Drive EV program by Director Kearny

Second: Director Peters
Motion approved: 10-0-0

3. Review and approve Employment Agreement – General Counsel

Chair Hamburg called a brief recess to review general counsel agreement changes.

Steve Shupe, General Counsel, stated the changes to employment agreement for the new General Counsel, Jessica Mullan.

Motion to approve Employment Agreement for General Counsel with stated amendments by Director Kearny.

Second: Director Peters
Motion approved: 10-0-0

8. Approve proposed budget adjustments to the FY 17-18 Budget

CEO Syphers stated adjustments to current fiscal year budget are mainly for the funds to purchase a building, but taking the opportunity to update
electricity sales and expenses too. Budget adjustment for next year will be brought up once costs for the building renovation have been estimated.

Public Comment: None

Motion to approve proposed budget adjustments to the FY 17-18 Budget by Director Kearny

Second: Director Ahanotu

Motion approved: 10-0-0

9. Approve of contract with California Energy Commission and related contracts with Frontier Energy and DNV-GL

Rachel Kuykendall, Programs Manager presented background, contract specifications and minor changes that will occur before finalizing contracts.

Director Slayter asked for clarification on contracts

Rachel Kuykendall stated 1/3 of funds are for applied research and 2/3 for deployment. She explained applied research is researching benefits of advance energy equipment and materials, and deployment is having the physical storefront to help customers and contractors.

CM Brophy stated he will abstain because of previous relationship with DNV-GL.

Public Comment: None

Motion to approve contract with CEC and related contracts with Frontier Energy and DNV-GL subject to minor non-budget amendments as approved by General Counsel by Director Peters

Second: Director Landman

Motion approved: 9-0-1

V. BOARD MEMBER ANNOUNCEMENTS

Director Peters stated Fort Bragg now has two new EV chargers.

Director Slayter stated Sebastopol is working on a parking ordinance to include EV standards and encourages other to do the same.

Director Harrington stated she is working with James Gore and will be holding a summit to bring agencies together. She is hoping SCP can be involved.
VI. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

Mr. Turgeon, SCP Costumer and Friends of the Santa Rosa Climate Action Plan Member, stated gratitude towards Sonoma Clean Power and hopes that SCP can have a representative next Thursday at CEC symposium. He stated FOCAP is looking to help get cities to upgrade to EverGreen.

VII. ADJOURN (11:14 AM)
Staff Report – Item 02

To: Sonoma Clean Power Authority Board of Directors
From: Citizens’ Climate Lobby
Issue: Presentation on Carbon Fee and Dividend and possible direction
Date: July 12, 2018

Requested Action

Receive a presentation on “Carbon Fee and Dividend” and determine whether SCP should officially support the proposal.

Background

SCP’s student member of the Community Advisory Committee, Kai Guthrie, is involved in promoting a national Carbon Fee and Dividend program. Staff believe this effort is consistent with SCP’s adopted Legislative Platform Section 3:

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

It is staff’s recommendation to sign on to support Carbon Fee and Dividend. However, if the board choose not to do so, there is no direct harm to SCP.
Citizens’ Climate Lobby Endorsement Information for Sonoma Clean Power
July 3, 2018

The Citizens’ Climate Lobby (CCL) proposes a national “Carbon Fee and Dividend” (CF&D) as a simple, straightforward, and politically bipartisan next step for addressing the climate crisis. This approach will promote local economic activity and growth as it stimulates innovative market solutions to achieve reductions in greenhouse gas emissions.

The Basics of CF&D, from the CCL website
- Constituent-friendly 2 minute video summarizing the 3 legs:
  - Steadily increasing fee on fossil fuel extraction
  - All net revenues returned to households as monthly per-capita dividends
  - Border adjustments on trade with countries that don’t have carbon pricing
- The detailed legislative proposal: a 2-page plain-English summary (the 18-page actual bill language is available to Members of Congress interested in sponsoring it)

The Impact of CF&D, from Regional Economic Models, Inc. (REMI)
- An independent analysis by this premier economic modeling firm predicts the effects of the first 20 years of a CF&D policy:
  - A 50% reduction of carbon emissions below 1990 levels
  - The addition of 2.8 million jobs above baseline, driven by the steady economic stimulus of the energy dividend
  - The avoidance of 230,000 premature deaths due to reduction in air pollutants that often accompany carbon emissions
- The biggest take-home: there is no economic argument against Carbon Fee and Dividend. The 100% per-capita dividend and the border adjustment are critical differences from other energy tax proposals.
- Household Impact Study: how CF&D would affect household cash flow, analyzed by age, race, and income (by Congressional District)
  - Most households, especially those considered “most vulnerable” (low income, youngest and oldest, and ethnic minorities) receive a net financial benefit (they

![Figure 2. Percent of Households Benefited, by Income quintile. The average household in Quintile 1 sees a net gain of $280 per year, equal to 1.78% of income. Quintile 1 has a median (or typical) income of 95% of the federal poverty level (FPL).](image)
receive more in dividend payments than their estimated increase in cost of purchases as the fossil fuel extractors’ fee costs are passed down through the economy).
● This effect will generally be greater for Sonoma County and California because of our collective efforts to reduce CO2 emissions through efficiency and low-emissions energy.

Who Supports CF&D

● **California State Legislature – AJR 43** – Adopted by Assembly 6/3/16, and Senate 8/23/16. Initiated at the behest of CCL chapters, it mirrors the key elements of the CCL CF&D proposal. Here are excerpts:
  ○ *the Legislature hereby urges the United States Congress to enact, without delay, a tax on carbon-based fossil fuels;*
  ○ *the tax should be collected once, as far upstream in the economy as practical, or at the port of entry into the United States;*
  ○ *the tax rate should start low and increase steadily and predictably to achieve the goal of reducing carbon dioxide emissions in the United States to 80 percent below 1990 levels by 2050;*
  ○ *all tax revenue should be returned to middle and low-income Americans to protect them from the impact of rising prices due to the tax;*
  ○ *the international competitiveness of United States businesses should be protected by using carbon-content-based tariffs and tax refunds.*

● **Santa Rosa Press Democrat**: two editorials supporting a revenue neutral carbon tax
  ○ October 11, 2015: *Time to consider a tax on carbon*
  ○ April 22, 2017: *An Earth-saving plan even President Trump can support*

● **California Counties and Cities**: 4 counties, including Sonoma, San Mateo, Marin; 28 cities throughout state, including Santa Rosa, Petaluma, Sebastopol, Cotati.

● **Citizens’ Climate Lobby**
  ○ *Supporters*: >100,000 globally, 750+ in Sonoma County
  
  **CCL Core Values**:
  ○ *Vision*: A livable world
  ○ *Mission*: To create the political will for climate solutions by enabling individual breakthroughs in personal and political power.
  ○ *Solutions oriented*: Carbon Fee and Dividend
  ○ *Non-partisan*: we work *with* everyone, even those who oppose us
  ○ *Relationships*: based on appreciation, gratitude and respect

● **Climate Leadership Council**: In February, 2017, a group of big name Republicans (Charles Shultz, James Baker, Rob Walton) and F500 companies (Exxon-Mobil, GM, Pepsico) proposed a “Carbon Dividend” plan very similar to CCL’s CF&D.

● **House Bi-Partisan Climate Solutions Caucus**: Inspired and nurtured by CCL volunteers, the two-year-old CSC requires members to join in bi-partisan pairs. Membership, more than quadrupled since the election, is now at 84, including Rep. Thompson. Last year, the Caucus voted as a block to successfully remove a climate-
negative amendment from an appropriations bill. And in February, Caucus members introduced a bipartisan bill to spur innovation in combating climate change. The Caucus has not yet sponsored carbon-pricing legislation, but is expected to do so.

**Opposition**

- Alt-right conservatives and others with a reflexive aversion to anything that can be labeled a “tax.” (About CF&D, George Shultz says, “It’s not a tax if the government doesn’t keep the money.”)
- People from across the political spectrum opposed to revenue recycling; border adjustments; market-based approaches; or other versions of energy taxes, such as downstream taxes (at the pump), or ineffective or misleading carbon trading schemes.
- A left vs. right debate on how much if any of the fee revenues should be kept by the government for climate and energy programs.

**Why It Matters to Sonoma County**

**Climate Change Risks**

- **Wildfires:** The National Research Council estimates > 300% increase in average area burned each year in Northern California for each 1°C rise in global temperature. Wildfires increase intensity with increased rain, plant growth and drought. Loss of watershed will result in more erosive flash flooding.
- **Sea Level Rise:** At risk infrastructure: Highway 37, the Smart Train.
- **Agriculture and Fisheries** will suffer due to hotter summers, disruption of life cycle for critical beneficial species (pollinators and predators), expanded range for plant and animal diseases like sudden oak death and blue-green algae.
- **Nature and Tourism:** Top 10 signs of climate change in Northern California.

**Economic Opportunity:** The dividend of CF&D will stimulate the local economy, as indicated in the REMI study. Sonoma County and the Bay Area have led the way in creating businesses and public institutions, like Sonoma Clean Power, that build a resilient low-emissions economy. These will flourish as pollution becomes ever more expensive.

**Other Considerations**

- **Compatibility with California Cap and Trade:** CF&D is compatible with state emissions trading systems like cap and trade. CF&D will be like any other factor that makes fossil fuel increasingly expensive to put on the market. The higher price will lower demand, reducing the price that bidders are willing to pay for allocations under cap and trade. It won’t be double taxation, because as the carbon fee rises, there will be less demand for trading pollution credits, and thus less purchased. A big advantage of CF&D is its transparent simplicity; it is less expensive to administer and less subject to being gamed by vested interests.
Legislative proposal: Carbon Fee and Dividend

Findings:
1. **Causation**: Whereas the weight of scientific evidence indicates that greenhouse gas emissions from human activities including the burning of fossil fuels and other sources are causing rising global temperatures,

2. **Mitigation** (Return to 350 ppm or below): Whereas the weight of scientific evidence also indicates that a return from the current concentration of more than 400 parts per million (“ppm”) of carbon dioxide (“CO₂”) in the atmosphere to 350 ppm CO₂ or less is necessary to slow or stop the rise in global temperatures,

3. **Endangerment**: Whereas further increases in global temperatures pose imminent and substantial dangers to human health, the natural environment, the economy, national security, and an unacceptable risk of catastrophic impacts to human civilization,

4. **Co-Benefits**: Whereas the measures proposed in this legislation will benefit the economy, human health, the environment, and national security, even without consideration of global temperatures, as a result of correcting market distortions, reductions in non-greenhouse-gas pollutants, reducing the outflow of dollars to oil-producing countries and improvements in the energy security of the United States,

5. **Benefits of Carbon Fees**: Whereas phased-in carbon fees on greenhouse gas emissions (1) are the most efficient, transparent, and enforceable mechanism to drive an effective and fair transition to a domestic-energy economy, (2) will stimulate investment in alternative-energy technologies, and (3) give all businesses powerful incentives to increase their energy-efficiency and reduce their carbon footprints in order to remain competitive,

6. **Equal Monthly Per-Person Dividends**: Whereas equal monthly dividends (or “rebates”) from carbon fees paid to every American household can help ensure that families and individuals can afford the energy they need during the transition to a greenhouse gas-free economy and the dividends will stimulate the economy,

Therefore the following legislation is hereby enacted:

1. **Collection of Carbon Fees/Carbon Fee Trust Fund**: Upon enactment, impose a carbon fee on all fossil fuels and other greenhouse gases at the point where they first enter the economy. The fee shall be collected by the Treasury Department. The fee on that date shall be $15 per ton of CO₂ equivalent emissions and result in equal charges for each ton of CO₂ equivalent emissions potential in each type of fuel or greenhouse gas. The Department of Energy shall propose and promulgate regulations setting forth CO₂ equivalent fees for other greenhouse gases including at a minimum methane, nitrous oxide, sulfur hexafluoride, hydrofluorocarbons (HFCs), perfluorocarbons, and nitrogen trifluoride. The Treasury shall also collect the fees imposed upon the other greenhouse gases. All fees are to be placed in the Carbon Fees Trust Fund and rebated to American households as outlined in #3 below.

2. **Emissions Reduction Targets**: To align US emissions with the physical constraints identified by the Intergovernmental Panel on Climate Change (IPCC) to avoid irreversible climate change, the yearly increase in carbon fees including other greenhouse gases, shall be at least $10 per ton of CO₂
equivalent each year. Annually, the Department of Energy shall determine whether an increase larger than $10 per ton per year is needed to achieve program goals. Yearly price increases of at least $10 per year shall continue until total U.S. CO\(_2\)-equivalent emissions have been reduced to 10% of U.S. CO\(_2\)-equivalent emissions in 1990.

3. **Equal Per-Person Monthly Dividend Payments**: Equal monthly per-person dividend payments shall be made to all American households (½ payment per child under 18 years old, with a limit of 2 children per family) each month. The total value of all monthly dividend payments shall represent 100% of the net carbon fees collected per month.

4. **Border Adjustments**: In order to ensure there is no domestic or international incentive to relocate production of goods or services to regimes more permissive of greenhouse gas emissions, and thus encourage lower global emissions, Carbon-Fee-Equivalent Tariffs shall be charged for goods entering the U.S. from countries without comparable Carbon Fees/Carbon Pricing. Carbon-Fee-Equivalent Rebates shall be used to reduce the price of exports to such countries. The State Department will determine rebate amounts and exemptions if any.
RESOLUTION NO. RES-2018-027

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA URGING THE UNITED STATES CONGRESS ENACT A TAX ON CARBON-BASED FOSSIL FUELS

WHEREAS, the Intergovernmental Panel on Climate Change has stated in its 5th Assessment Report, Climate 2013: The Physical Science Basis, that “[w]arming of the climate system is unequivocal” and “[i]t is extremely likely that human influence has been the dominant cause of the observed warming since the mid-20th century”; and

WHEREAS, in May of 2013, the global atmospheric concentration of carbon dioxide reached 400 parts per million, the highest level in the last 800,000 years; and

WHEREAS, in May 2014, two separate scientific papers were published in journals of Geophysical Research Letters documenting dramatic retreats of Antarctic glaciers and predicting that large-scale destruction of the West Antarctic ice sheets is likely now inevitable and will lead to sea level rises of 10 feet or more; and

WHEREAS, the 2013 Indicators of Climate Change in California, released by the Office of Environmental Health Hazard assessment, found that continued warming of the atmosphere would cause threats of flooding along the coastline of California; threats to infrastructure, sewage systems, wetlands, and marine life; increased ocean acidification; increased threats from wildfires; threats to the water supply from decreased snow packs; increased asthma and respiratory illness due to higher ozone levels; increased insurance and mitigation costs; and negative impacts to the agriculture, fishing, and tourism industries; and

WHEREAS, conservative estimates by climate scientists throughout the world state that, to achieve climate stabilization and avoid cataclysmic climate change, emissions of greenhouse gases must be brought to 80 percent below 1990 levels by 2050; and

WHEREAS, the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code) commits the state to reduce greenhouse gas emissions to 1990 levels by 2020, and the Governor's Executive Order S-3-05 further calls on the state to establish a policy to reduce greenhouse gas emissions to 80 percent below 1990 levels by 2050; and

WHEREAS, the California Global Warming Solution Act of 2006 has reached its 10-year anniversary and the California economy remains strong; and

WHEREAS, the City of Santa Rosa, on August 2, 2005, adopted a municipal greenhouse gas emission reduction target of 20% from 2000 levels by 2010 and pledged to help “facilitate the community-wide greenhouse gas emission reduction target of 25% from 1990 levels by 2015”; and

WHEREAS, the City of Santa Rosa adopted its Climate Action Plan on June 5, 2012; and

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WHEREAS, in spite of substantial progress, the City of Santa Rosa was unable to meet its 2015 greenhouse gas emission reduction target; and

WHEREAS, the Greenhouse Gas Emissions Report 2014 of the Center for Climate Protection stated, “To meet the goal, emission reduction measures must overcome powerful forces, particularly increases in population and an economy largely based on fossil fuels;” and

WHEREAS, the United States needs powerful new policies to shift the economy away from fossil fuels; and

WHEREAS, the United States Congress can enact a national carbon tax on fossil fuels, based on the amount of carbon dioxide the fuel will emit when burned; and

WHEREAS, for efficient administration, fossil fuels can be taxed once, as far upstream in the economy as practical, or at the port of entry into the United States; and

WHEREAS, a national, revenue-neutral carbon tax starting at a relatively low rate and increasing steadily over future years is a market-based solution that would minimally disrupt the economy while sending a clear and predictable price signal to businesses to develop and use noncarbon-based energy resources; and

WHEREAS, Citizens' Climate Education Corporation Commissioned Regional Economic Models, Inc. (REMI) did a nation-wide macroeconomic study on the impact of a revenue-neutral carbon tax; and

WHEREAS, REMI’s study, released in 2014, predicted that, after 10 years, a revenue-neutral carbon tax would lead to a decrease in carbon dioxide emissions by 33 percent, an increase in national employment by 2.1 million jobs, and an average monthly dividend for a family of four of $288; and

WHEREAS, border adjustments, such as carbon-content-based tariffs on products imported from countries without comparable carbon pricing and refunds to our exporters of carbon taxes paid can maintain the competitiveness of United States businesses in global markets; and

WHEREAS, a national carbon tax can be implemented quickly and efficiently, and respond to the urgency of the climate crisis, because the federal government already has in place mechanisms, such as the Internal Revenue Service, needed to implement and enforce the tax and already collects taxes from fossil fuel producers and importers; and

WHEREAS, a national carbon tax would make the United States a leader in mitigating climate change and the advancing clean energy technologies of the 21st Century, and
would incentivize other countries to enact similar carbon taxes, thereby reducing global carbon dioxide emissions without the need for complex international agreements.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Santa Rosa, that the Council hereby urges the United States Congress to enact, without delay, a tax on carbon-based fossil fuels.

BE IT FURTHER RESOLVED that the tax should be collected once, as far upstream in the economy as practical, or at the port of entry into the United States.

BE IT FURTHER RESOLVED that the tax rate should start low and increase steadily and predictably to achieve the goal of reducing carbon dioxide emissions in the United States to 80 percent below 1990 levels by 2050.

BE IT FURTHER RESOLVED that all tax revenue should be returned to American households to protect them from the impact of rising prices due to the tax.

BE IT FURTHER RESOLVED that the international competitiveness of United States businesses should be protected by using carbon-content-based tariffs and tax refunds.

IN COUNCIL DULY PASSED this 13th day of February, 2018.

AYES: (7) Mayor Coursey, Vice Mayor Rogers, Council Members Combs, Olivares, Sawyer, Schwedhelm, Tibbetts

NOES: (0)

ABSENT: (0)

ABSTAIN: (0)

ATTEST: [Signature]  APPROVED: [Signature]

City Clerk  Mayor

APPROVED AS TO FORM:

[Signature]  City Attorney
Assembly Joint Resolution No. 43

RESOLUTION CHAPTER 168

Assembly Joint Resolution No. 43—Relative to greenhouse gases.

[Filed with Secretary of State September 1, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

This measure would urge the United States Congress to enact a tax on carbon-based fossil fuels.

WHEREAS, The Intergovernmental Panel on Climate Change has stated in its recently released 5th Assessment Report, Climate Change 2013: The Physical Science Basis, that “[w]arming of the climate system is unequivocal” and “[i]t is extremely likely that human influence has been the dominant cause of the observed warming since the mid-20th century”; and

WHEREAS, In May of 2013, the global atmospheric concentration of carbon dioxide reached 400 parts per million, the highest level in the last 800,000 years; and

WHEREAS, In May 2014, two separate scientific papers were published in journals of Geophysical Research Letters documenting dramatic retreats of Antarctic glaciers and predicting that large-scale destruction of the West Antarctic ice sheets is likely now inevitable and will lead to sea level rises of 10 feet or more; and

WHEREAS, The 2013 Indicators of Climate Change in California, released by the Office of Environmental Health Hazard Assessment, found that continued warming of the atmosphere would cause threats of flooding along the coastline of California; threats to infrastructure, sewage systems, wetlands, and marine life; increased ocean acidification; increased threats from wildfires; threats to the water supply from decreased snow packs; increased asthma and respiratory illness due to higher ozone levels; increased insurance and mitigation costs; and negative impacts to the agriculture, fishing, and tourism industries; and

WHEREAS, Conservative estimates by climate scientists throughout the world state that, to achieve climate stabilization and avoid cataclysmic climate change, emissions of greenhouse gases must be brought to 80 percent below 1990 levels by 2050; and

WHEREAS, The California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code) commits the state to reduce greenhouse gas emissions to 1990 levels by 2020, and the Governor’s Executive Order S-3-05 further calls on the
state to establish a policy to reduce greenhouse gas emissions to 80 percent below 1990 levels by 2050; and

WHEREAS, The California Global Warming Solution Act of 2006 has reached its 10-year anniversary and the California economy remains strong; and

WHEREAS, The United States needs powerful new policies to meet its greenhouse gas emission reduction goals established in the 2015 Paris Climate Agreement; and

WHEREAS, The United States Congress can enact a national carbon tax on fossil fuels, based on the amount of carbon dioxide the fuel will emit when burned; and

WHEREAS, For efficient administration, fossil fuels can be taxed once, as far upstream in the economy as practical, or at the port of entry into the United States; and

WHEREAS, A national, revenue-neutral carbon tax starting at a relatively low rate and increasing steadily over future years is a market-based solution that would minimally disrupt the economy while sending a clear and predictable price signal to businesses to develop and use noncarbon-based energy resources; and

WHEREAS, Citizens’ Climate Education Corporation Commissioned Regional Economic Models, Inc. (REMI) to do a nation-wide macroeconomic study on the impact of a revenue-neutral carbon tax; and

WHEREAS, REMI’s study predicted that, after 10 years, a revenue-neutral carbon tax would lead to a decrease in carbon dioxide emissions by 33 percent, an increase in national employment by 2.1 million jobs, and an average monthly dividend for a family of four of $288; and

WHEREAS, Border adjustments, such as carbon-content-based tariffs on products imported from countries without comparable carbon pricing and refunds to our exporters of carbon taxes paid can maintain the competitiveness of United States businesses in global markets; and

WHEREAS, A national carbon tax can be implemented quickly and efficiently, and respond to the urgency of the climate crisis, because the federal government already has in place mechanisms, such as the Internal Revenue Service, needed to implement and enforce the tax and already collects taxes from fossil fuel producers and importers; and

WHEREAS, A national carbon tax would make the United States a leader in mitigating climate change and the advancing clean energy technologies of the 21st Century, and would incentivize other countries to enact similar carbon taxes, thereby reducing global carbon dioxide emissions without the need for complex international agreements; now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature hereby urges the United States Congress to enact, without delay, a tax on carbon-based fossil fuels; and be it further

Resolved, That the tax should be collected once, as far upstream in the economy as practical, or at the port of entry into the United States; and, be it further
Resolved, That the tax rate should start low and increase steadily and predictably to achieve the goal of reducing carbon dioxide emissions in the United States to 80 percent below 1990 levels by 2050; and be it further

Resolved, That all tax revenue should be returned to middle- and low-income Americans to protect them from the impact of rising prices due to the tax; and, be it further

Resolved, That the international competitiveness of United States businesses should be protected by using carbon-content-based tariffs and tax refunds; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, to each Senator and Representative from California in the Congress of the United States, and to the author for appropriate distribution.
A presentation of SCP’s updated brand story, messages and identity will be given.
NEW TEAM MEMBERS AT SCP

SCP has hired a Program Intern to work on induction cooking, DIY toolkits, and assist with the Advanced Energy Rebuild Incentive Program. The new intern is Clayton Hutcheson.

BUILDING PURCHASE UPDATE

SCP recently completed its purchase of 431 E Street in downtown Santa Rosa. The 14,400 square foot office building and the adjacent parking lot at 426 Beaver Street were purchased for $3.11 million on June 20, 2018.

Cordel Stillman is heading up the renovation work for the building to create a zero-carbon building that houses SCP’s offices and board room, and also showcases deeply energy efficient and sustainable technology and practices. Eleven design teams provided qualifications on June 14. From those applicants, a shortlist of three teams were selected for in-person interviews, and EHDD’s team was selected as the frontrunner to negotiate a final scope and budget. A process is now underway to negotiate the scope and budget for a design team to guide SCP through a renovation. The contract will be brought to the Community Advisory Committee and Board for review and adoption, possibly as early as the August board meeting.

As a project calendar is developed, a better estimate of the expected time for renovation will be provided. A preliminary estimate is approximately two years from the date a design team contract is executed.
EVERGREEN MEMBER OUTREACH

Earlier this year, SCP’s Customer Service team met with city managers and other representatives from some of our member cities, towns and counties with information on upgrading their municipal accounts to EverGreen. Currently, the City of Sonoma is the only jurisdiction that has transitioned their accounts to EverGreen. Customer Service staff provided each jurisdiction they met with a summary of the greenhouse gas savings, local financial investments and the direct expenses for the annual premium to switch municipal accounts to EverGreen.

A number of public comments at recent SCP meetings have focused on encouraging SCP’s members cities, town and counties to upgrade to EverGreen. Vice Chair Landman asked staff to reach out to each city manager and county administrator again to provide more information about the climate benefits and costs of EverGreen service for their public accounts. Customer Service is now in the process of doing so and will report back to the board at a subsequent meeting.

WILDFIRE RECOVERY EFFORTS

The Board ad hoc committee completed its donations of the $1 million in fire relief funding. A full report of the donations will be provided at the meeting.

PROGRAM UPDATES

Drive EverGreen 3.0

The Drive EV 3.0 program is on track to begin on August 1, 2018. We have entered into contracts with 7 dealers to provide discounts and apply SCP’s incentive to purchases and leases. They include Ford, Chevrolet, Nissan, Kia, VW, BMW and Chrysler. Promotional materials are being prepared and SCP staff will be attending many events as the program commences.

Energy Education Program

The Energy Education Program was, in staff’s opinion, a rousing success. Over 10,000 students were reached by the various programs that were run in schools throughout Sonoma and Mendocino Counties. A report on the program is available on SCP’s website. SCP staff will be bringing a contract to continue the program for an additional two years to the Committee and Board in the near future.
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 for Mendocino librarians was recently completed, kits delivered and the response has been enthusiastic.

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 2019. Staff is exploring a possible program for each of SCP’s participating cities, town and counties to install fast chargers (also known as “Level 3” or “DCFC” for direct current fast charge). It is prudent to begin working towards this goal later in 2018 due to the long lead times involved in site selection, interconnection, ADA issues, etc.

Advanced Energy Rebuild

The program is live and three early applications have already been received. Many more are reportedly in the process of being prepared, and heat pump water heater suppliers have reported a noticeable increase in the volume of product being shipped to local distributors. Educational forums for industry workers have been held and will continue with six more scheduled in July. SCP also sponsored a discount for energy consultants looking to earn the Certified Energy Analyst certification, which is required for the program. A total of 10 people sat for the exam in late June.
Lead Locally (CEC Grant)

The CEC has scheduled a grant kick-off meeting on July 17th. Staff have reviewed 12 potential Energy Marketplace locations and intend to bring a proposed 3-year lease to Community Advisory Committee in July to be presented to the Board of Directors on August 2.

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

The summer rate season has come in to effect in May, a period where aggregate rates are more than in the winter season. The year-to-date growth in net position is above projections due primarily to lower than anticipated operating costs. Year-to-date operating revenues reached 156,326,000.

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 $74,856,000, which indicates healthy growth as SCP continues to make progress towards its reserve goals. Of this net position, approximately $42,381,000 and $7,479,000 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 June 2018.
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 1%.

The cost of electricity is also slightly under budget-to-date by less than 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

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 May 31, 2018, and the related statement of revenues, expenses, and changes in net position, and the statement of 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
June 28, 2018
SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
July 1, 2017 through May 31, 2018

REVENUE AND OTHER SOURCES:

<table>
<thead>
<tr>
<th>Description</th>
<th>2017/18 YTD Amended Budget</th>
<th>2017/18 YTD Actual</th>
<th>Variance (Under) Over</th>
<th>2017/18 YTD Variance %</th>
<th>2017/18 YTD Budget</th>
<th>2017/18 YTD Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue - Electricity (net of allowance)</td>
<td>$157,184,652</td>
<td>$155,373,854</td>
<td>$1,810,798</td>
<td>99%</td>
<td>$173,796,000</td>
<td>$18,422,146</td>
</tr>
<tr>
<td>Revenue - Evergreen Premium (net of allowance)</td>
<td>354,533</td>
<td>397,610</td>
<td>43,077</td>
<td>112%</td>
<td>392,000</td>
<td>(5,610)</td>
</tr>
<tr>
<td>Revenue - Electricity sales for resale **</td>
<td>-</td>
<td>531,950</td>
<td>531,950</td>
<td>-</td>
<td>-</td>
<td>(531,950)</td>
</tr>
<tr>
<td>Revenue - Interest income</td>
<td>435,417</td>
<td>492,618</td>
<td>57,201</td>
<td>113%</td>
<td>475,000</td>
<td>(17,618)</td>
</tr>
<tr>
<td>Total revenue and other sources</td>
<td>157,974,602</td>
<td>156,818,472</td>
<td>(1,156,130)</td>
<td>99%</td>
<td>174,663,000</td>
<td>17,844,528</td>
</tr>
</tbody>
</table>

EXPENDITURES AND OTHER USES:

<table>
<thead>
<tr>
<th>Description</th>
<th>2017/18 YTD Amended Budget</th>
<th>2017/18 YTD Actual</th>
<th>Variance (Under) Over</th>
<th>2017/18 YTD Variance %</th>
<th>2017/18 YTD Budget</th>
<th>2017/18 YTD Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of energy and scheduling</td>
<td>129,677,124</td>
<td>129,037,387</td>
<td>(639,737)</td>
<td>100%</td>
<td>142,643,000</td>
<td>13,605,613</td>
</tr>
<tr>
<td>Data management</td>
<td>2,957,167</td>
<td>2,875,916</td>
<td>(81,251)</td>
<td>97%</td>
<td>3,226,000</td>
<td>350,084</td>
</tr>
<tr>
<td>Service fees- PG&amp;E</td>
<td>1,131,167</td>
<td>1,034,484</td>
<td>(96,683)</td>
<td>91%</td>
<td>1,234,000</td>
<td>199,516</td>
</tr>
<tr>
<td>Personnel</td>
<td>3,052,500</td>
<td>2,709,817</td>
<td>(342,683)</td>
<td>89%</td>
<td>3,330,000</td>
<td>620,183</td>
</tr>
<tr>
<td>Outreach and communications</td>
<td>871,750</td>
<td>824,746</td>
<td>(47,004)</td>
<td>95%</td>
<td>951,000</td>
<td>126,254</td>
</tr>
<tr>
<td>Customer service</td>
<td>434,500</td>
<td>220,814</td>
<td>(213,686)</td>
<td>51%</td>
<td>474,000</td>
<td>253,186</td>
</tr>
<tr>
<td>Legal</td>
<td>339,167</td>
<td>248,497</td>
<td>(90,670)</td>
<td>73%</td>
<td>370,000</td>
<td>121,503</td>
</tr>
<tr>
<td>Accounting and auditing</td>
<td>177,833</td>
<td>135,265</td>
<td>(42,568)</td>
<td>76%</td>
<td>194,000</td>
<td>58,735</td>
</tr>
<tr>
<td>Technical consultants</td>
<td>343,750</td>
<td>304,626</td>
<td>(39,124)</td>
<td>89%</td>
<td>375,000</td>
<td>70,374</td>
</tr>
<tr>
<td>Legislative consultants</td>
<td>151,250</td>
<td>78,649</td>
<td>(72,601)</td>
<td>52%</td>
<td>165,000</td>
<td>86,351</td>
</tr>
<tr>
<td>Other consultants</td>
<td>59,583</td>
<td>44,596</td>
<td>(14,987)</td>
<td>75%</td>
<td>65,000</td>
<td>20,404</td>
</tr>
<tr>
<td>Program implementation and development</td>
<td>5,500,000</td>
<td>2,947,863</td>
<td>(2,552,137)</td>
<td>54%</td>
<td>6,000,000</td>
<td>3,052,137</td>
</tr>
<tr>
<td>General and administration</td>
<td>715,000</td>
<td>712,028</td>
<td>(2,972)</td>
<td>100%</td>
<td>780,000</td>
<td>67,972</td>
</tr>
<tr>
<td>Fire relief donations</td>
<td>892,500</td>
<td>637,000</td>
<td>(255,500)</td>
<td>71%</td>
<td>1,000,000</td>
<td>363,000</td>
</tr>
<tr>
<td>Total current expenditures</td>
<td>146,303,291</td>
<td>141,811,688</td>
<td>(4,491,603)</td>
<td>97%</td>
<td>160,807,000</td>
<td>18,995,312</td>
</tr>
</tbody>
</table>

OTHER USES

<table>
<thead>
<tr>
<th>Description</th>
<th>2017/18 YTD Amended Budget</th>
<th>2017/18 YTD Actual</th>
<th>Variance (Under) Over</th>
<th>2017/18 YTD Variance %</th>
<th>2017/18 YTD Budget</th>
<th>2017/18 YTD Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collateral deposit payments</td>
<td>2,000,000</td>
<td>620,867</td>
<td>(1,379,133)</td>
<td>31%</td>
<td>2,000,000</td>
<td>1,379,133</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>150,333</td>
<td>69,590</td>
<td>(80,743)</td>
<td>46%</td>
<td>3,360,000</td>
<td>3,294,410</td>
</tr>
<tr>
<td>Total expenditures, Other Uses and Debt Service</td>
<td>148,453,624</td>
<td>142,502,145</td>
<td>(5,951,479)</td>
<td>96%</td>
<td>166,171,000</td>
<td>23,668,855</td>
</tr>
<tr>
<td>Net increase (decrease) in available fund balance</td>
<td>$9,520,978</td>
<td>$14,316,327</td>
<td>$4,795,349</td>
<td>150%</td>
<td>$8,492,000</td>
<td>($5,824,327)</td>
</tr>
</tbody>
</table>

* Represents sales of approximately 2,259,000 MWh for 2017/18 YTD actual.
** Electricity sales for resale represents sales to other utilities.

RESERVES

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash Reserve</td>
<td>$42,380,937</td>
</tr>
<tr>
<td>Program Cash Reserve</td>
<td>7,478,989</td>
</tr>
<tr>
<td></td>
<td>$49,859,926</td>
</tr>
</tbody>
</table>

See accountants' compilation report.
Net increase (decrease) in available fund balance per budgetary comparison schedule: $ 14,316,327

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>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subtract depreciation expense</td>
<td>(55,083)</td>
</tr>
<tr>
<td>Add back capital asset acquisitions</td>
<td>69,590</td>
</tr>
<tr>
<td>Add back collateral deposits</td>
<td>620,867</td>
</tr>
<tr>
<td>Change in net position</td>
<td>$ 14,951,701</td>
</tr>
</tbody>
</table>

See accountants' compilation report.
ACCOUNTANTS’ COMPILATION REPORT

Management
Marin Clean Energy

Management is responsible for the accompanying financial statements of Marin Clean Energy (a California Joint Powers Authority) which comprise the statement of net position as of May 31, 2018, and the related statement of revenues, expenses, and changes in net position, and the statement of 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
June 28 2018
# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

**As of May 31, 2018**

### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$45,307,066</td>
</tr>
<tr>
<td>Investment in Sonoma County Pooled Investment Fund</td>
<td>15,114,038</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance</td>
<td>15,902,781</td>
</tr>
<tr>
<td>Other receivables</td>
<td>115,900</td>
</tr>
<tr>
<td>Accrued revenue</td>
<td>9,019,423</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>117,343</td>
</tr>
<tr>
<td>Deposits</td>
<td>589,865</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>86,166,416</strong></td>
</tr>
<tr>
<td>Capital assets, net of depreciation</td>
<td>212,582</td>
</tr>
<tr>
<td>Deposits</td>
<td>4,114,666</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td><strong>4,327,248</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>90,493,664</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>1,086,339</td>
</tr>
<tr>
<td>Accrued cost of electricity</td>
<td>13,153,721</td>
</tr>
<tr>
<td>Advance from grantors</td>
<td>500,000</td>
</tr>
<tr>
<td>Other accrued liabilities</td>
<td>344,321</td>
</tr>
<tr>
<td>User taxes and energy surcharges due to other governments</td>
<td>402,938</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>15,487,319</strong></td>
</tr>
<tr>
<td>Supplier security deposits</td>
<td>150,000</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>15,637,319</strong></td>
</tr>
</tbody>
</table>

### NET POSITION

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>212,582</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>74,643,763</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td><strong>$74,856,345</strong></td>
</tr>
</tbody>
</table>
# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET POSITION

July 1, 2017 through May 31, 2018

<table>
<thead>
<tr>
<th>OPERATING REVENUES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity sales, net</td>
<td>$ 155,373,854</td>
</tr>
<tr>
<td>Evergreen electricity premium</td>
<td>397,610</td>
</tr>
<tr>
<td>Electricity sales for resale</td>
<td>531,950</td>
</tr>
<tr>
<td>Liquidated damages</td>
<td>22,440</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>156,325,854</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING EXPENSES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of electricity</td>
<td>129,037,387</td>
</tr>
<tr>
<td>Staff compensation</td>
<td>2,709,817</td>
</tr>
<tr>
<td>Data manager</td>
<td>2,875,916</td>
</tr>
<tr>
<td>Service fees - PG&amp;E</td>
<td>1,034,484</td>
</tr>
<tr>
<td>Consultants and other professional fees</td>
<td>1,647,752</td>
</tr>
<tr>
<td>Legal</td>
<td>248,497</td>
</tr>
<tr>
<td>Communications</td>
<td>1,177,313</td>
</tr>
<tr>
<td>General and administration</td>
<td>725,119</td>
</tr>
<tr>
<td>Program rebates and incentives</td>
<td>1,718,403</td>
</tr>
<tr>
<td>Depreciation</td>
<td>55,083</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>141,229,771</td>
</tr>
<tr>
<td>Operating income</td>
<td>15,096,083</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NONOPERATING REVENUES (EXPENSES)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>492,618</td>
</tr>
<tr>
<td>Charitable contributions</td>
<td>(637,000)</td>
</tr>
<tr>
<td>Total nonoperating revenues (expenses)</td>
<td>(144,382)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHANGE IN NET POSITION</th>
<th></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>$ 74,856,345</td>
</tr>
</tbody>
</table>

See accountants’ compilation report.
SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS
July 1, 2017 through May 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from electricity sales</td>
<td>$155,146,309</td>
</tr>
<tr>
<td>Receipts from electricity sales for resale</td>
<td>630,227</td>
</tr>
<tr>
<td>Receipts from grantors</td>
<td>500,000</td>
</tr>
<tr>
<td>Receipts from supplier for security deposits</td>
<td>2,325,000</td>
</tr>
<tr>
<td>Tax and surcharge receipts from customers</td>
<td>2,118,093</td>
</tr>
<tr>
<td>Payments to purchase electricity</td>
<td>(127,373,788)</td>
</tr>
<tr>
<td>Payments for staff compensation</td>
<td>(2,737,361)</td>
</tr>
<tr>
<td>Payments for data manager</td>
<td>(2,616,088)</td>
</tr>
<tr>
<td>Payments for service fees - PG&amp;E</td>
<td>(956,281)</td>
</tr>
<tr>
<td>Payments for consultants and other professional fees</td>
<td>(1,931,040)</td>
</tr>
<tr>
<td>Payments for legal services</td>
<td>(254,340)</td>
</tr>
<tr>
<td>Payments for communications</td>
<td>(1,190,456)</td>
</tr>
<tr>
<td>Payments for general and administration</td>
<td>(778,196)</td>
</tr>
<tr>
<td>Payments for program rebates and incentives</td>
<td>(1,818,403)</td>
</tr>
<tr>
<td>Return of security deposits to suppliers</td>
<td>(4,650,000)</td>
</tr>
<tr>
<td>Tax and surcharge payments to other governments</td>
<td>(2,175,737)</td>
</tr>
<tr>
<td>Deposits and collateral paid</td>
<td>(620,867)</td>
</tr>
<tr>
<td>Payments for charitable contributions</td>
<td>(637,000)</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td><strong>12,980,072</strong></td>
</tr>
</tbody>
</table>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of capital assets</td>
<td>(85,468)</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from certificate of deposit</td>
<td>7,028,428</td>
</tr>
<tr>
<td>Interest income received</td>
<td>462,618</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by investing activities</strong></td>
<td><strong>7,491,046</strong></td>
</tr>
</tbody>
</table>

Net change in cash and cash equivalents (including County Pooled Investment Fund) | 20,385,650 |
Cash and cash equivalents at beginning of year | 40,035,454  |
Cash and cash equivalents at end of year       | **$60,421,104** |

Reconciliation to the Statement of Net Position

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$45,307,066</td>
</tr>
<tr>
<td>Investment in Sonoma County Pooled Investment Fund</td>
<td>15,114,038</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td><strong>$60,421,104</strong></td>
</tr>
</tbody>
</table>

See accountants' compilation report.
SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS (continued)
July 1, 2017 through May 31, 2018

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>$ 15,096,083</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>55,083</td>
</tr>
<tr>
<td>Revenue reduced for uncollectible accounts</td>
<td>782,769</td>
</tr>
<tr>
<td>Charitable contributions considered an operating activity for cash flow purposes only</td>
<td>(637,000)</td>
</tr>
<tr>
<td>(Increase) decrease in net accounts receivable</td>
<td>(1,069,569)</td>
</tr>
<tr>
<td>(Increase) decrease in other receivables</td>
<td>98,277</td>
</tr>
<tr>
<td>(Increase) decrease in accrued revenue</td>
<td>(325,943)</td>
</tr>
<tr>
<td>(Increase) decrease in prepaid expenses</td>
<td>(70,552)</td>
</tr>
<tr>
<td>(Increase) decrease in current deposits</td>
<td>(713,511)</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable</td>
<td>351,097</td>
</tr>
<tr>
<td>Increase (decrease) in accrued cost of electricity</td>
<td>1,388,934</td>
</tr>
<tr>
<td>Increase (decrease) in advance from grantors</td>
<td>500,000</td>
</tr>
<tr>
<td>Increase (decrease) in accrued liabilities</td>
<td>(80,540)</td>
</tr>
<tr>
<td>Increase (decrease) in user taxes and energy surcharges due to other governments</td>
<td>(70,056)</td>
</tr>
<tr>
<td>Increase (decrease) in supplier security deposits</td>
<td>(2,325,000)</td>
</tr>
<tr>
<td>Net cash provided (used) by operating activities</td>
<td>$ 12,980,072</td>
</tr>
</tbody>
</table>
Legislative Update

Budget

The Legislature passed the $199.6 billion budget on June 14. There are twenty-five separate pieces of legislation comprising the budget for the 2018-19 fiscal year. Fourteen of the budget trailer bills were sent to the Governor on June 14. Last week, the Legislature passed and appropriated $1.4 billion in the Greenhouse Gas Reduction Fund, and additional budget trailer bills are expected to be passed and sent to the Governor prior to the Legislature’s departure on July 6 for its Summer Recess.

Infill Housing Legislation

The Legislature is in the last few weeks of hearing hundreds of pieces of legislation in the policy committees. In late June, the Senate Environmental Quality Committee heard a number of bills related to the California Environmental Quality Act (CEQA). The high-profile bills included a new baseball park for the Oakland Athletics, a new arena for the Los Angeles Clippers, and Assemblyman Wood’s AB 2267 that would create the Sonoma County Renewal Enterprise District.

In light of the City of Santa Rosa’s severe housing shortage that was exacerbated by the October 2017 fires, Assemblyman Wood introduced AB 2267 at the request of Sonoma County and the City of Santa Rosa. AB 2267 proposes to streamline the
building of housing in the City of Santa Rosa’s downtown core area. Historically, the Legislature has passed a number of bills that assisted with the building of new sports arenas and a few weeks ago the Legislature passed a CEQA exemption for the building of new Capitol offices. Getting approval for exempting downtown infill housing under AB 2267 will likely be harder, based on the committee’s comments. SCP supports AB 2267 on the basis of reducing both building energy and transportation emissions associated with housing in downtown areas.

It was a long hearing for the proponents of AB 2267, but it passed out of the Senate Environmental Committee on June 21, passed the Senate Judiciary Committee on June 27 and now goes to Appropriations.

The Legislature will be taking its Summer Recess from July 6 through August 6. When the Legislature reconvenes from Summer Recess, they will have until August 17 to pass all fiscal bills out of the fiscal committees. Final Recess begins upon adjournment on August 31.

Updates on SB 1088 (Dodd) and SB 237 (Hertzberg) will be provided in the meeting.

**Conference Committee on Wildfire Preparedness and Response**

Governor Brown and the legislative leaders announced the formation of a conference committee to strengthen disaster preparedness and set policies to respond to the increasing wildfire danger. In March, legislative leaders and Governor Brown committed to delivering a solution that will make California more resilient against future disasters, and identified Senator Dodd’s SB 901 as the vehicle. The conference committee will consider updating the rules and regulations for utility services in light of changing climate and the increased severity and frequency of weather events as follows:

- Strengthen fire prevention activities such as vegetation removal, infrastructure maintenance, utility company inspections and temporary shut off of power during extreme weather;
- Continue to ensure that those who cause wildfires are held accountable for damages associated with them;
- Appropriately determine responsibility for a wildfire;
- Ensure fair allocation of wildfire prevention and response costs in a manner that protects ratepayers; and
- Require utilities to annually submit to the state more expansive and detailed wildfire and emergency preparedness plans.
The conference committee members are:
Assembly: Wood, Holden, Reyes, Dahle, and Mayes
Senate: Dodd, Hueso, Jackson, Stone, Cannella

<table>
<thead>
<tr>
<th>Bill</th>
<th>Issue</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB 813</td>
<td>Would prohibit a California electrical transmission facility owner,</td>
<td>Support as currently amended (June 12)</td>
</tr>
<tr>
<td>(Holden D)</td>
<td>a retail seller of electricity, or a local publicly owned electric</td>
<td>(Letter Sent)</td>
</tr>
<tr>
<td>Amended:</td>
<td>utility from joining a multistate regional transmission system</td>
<td></td>
</tr>
<tr>
<td>6/12/2018</td>
<td>organization, as defined, unless the bylaws or other organizational</td>
<td></td>
</tr>
<tr>
<td></td>
<td>documents that govern the organization, and the organization’s</td>
<td></td>
</tr>
<tr>
<td></td>
<td>operations, meet Federal Energy Regulatory Commission requirements</td>
<td></td>
</tr>
<tr>
<td></td>
<td>and other specified requirements. The bill would require a</td>
<td></td>
</tr>
<tr>
<td></td>
<td>California transmission owner, retail seller, or local publicly</td>
<td></td>
</tr>
<tr>
<td></td>
<td>owned electric utility, before joining a multistate regional</td>
<td></td>
</tr>
<tr>
<td></td>
<td>transmission system organization, to submit the bylaws and other</td>
<td></td>
</tr>
<tr>
<td></td>
<td>organizational documents that govern the organization to the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>State Energy Resources Conservation and Development Commission for</td>
<td></td>
</tr>
<tr>
<td></td>
<td>review.</td>
<td></td>
</tr>
<tr>
<td>AB 893</td>
<td>Would require, no later than December 31, 2021, each retail seller</td>
<td>Oppose</td>
</tr>
<tr>
<td>(Garcia Eduardo D)</td>
<td>to procure a proportionate share, as determined by the PUC, in</td>
<td></td>
</tr>
<tr>
<td>Amended:</td>
<td>consultation with the State Energy Resources Conservation and</td>
<td></td>
</tr>
<tr>
<td>6/20/2018</td>
<td>Development Commission, of electricity products from a statewide</td>
<td></td>
</tr>
<tr>
<td></td>
<td>total of 3,500 megawatts of geothermal generation capacity, as</td>
<td></td>
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<tr>
<td></td>
<td>specified. The bill would require, no later than December 31, 2019,</td>
<td></td>
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<tr>
<td></td>
<td>each retail seller to file with the PUC a plan for complying with</td>
<td></td>
</tr>
<tr>
<td></td>
<td>this procurement requirement, as specified.</td>
<td></td>
</tr>
<tr>
<td>AB 1745</td>
<td>Would, commencing January 1, 2040, prohibit the Department of Motor</td>
<td>Support (Letter Sent)</td>
</tr>
<tr>
<td>(Ting D)</td>
<td>Vehicles from accepting an application for original registration of</td>
<td></td>
</tr>
<tr>
<td>Vehicles:</td>
<td>a motor vehicle unless the vehicle is a zero emissions vehicle,</td>
<td></td>
</tr>
<tr>
<td>Clean Cars 2040 Act.</td>
<td>as defined. The bill would exempt from that prohibition, a</td>
<td></td>
</tr>
<tr>
<td>Location:</td>
<td>commercial vehicle with a gross vehicle weight rating of 10,001</td>
<td></td>
</tr>
<tr>
<td>Assembly Dead</td>
<td>pounds or more, and a vehicle brought into the state from outside</td>
<td></td>
</tr>
<tr>
<td></td>
<td>of the state for original registration, as specified.</td>
<td></td>
</tr>
<tr>
<td>AB 1912</td>
<td>The Joint Exercise of Powers Act generally authorizes 2 or more</td>
<td>Neutral</td>
</tr>
<tr>
<td>(Rodriguez D)</td>
<td>public agencies, by agreement, to jointly exercise any common</td>
<td>Author took CalCCA amendments</td>
</tr>
<tr>
<td>Amended:</td>
<td>power. Under the act, if an agency is not one or more of the</td>
<td></td>
</tr>
<tr>
<td>6/20/2018</td>
<td>parties to the agreement but is a public entity, commission, or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>board constituted pursuant to the agreement, the debts, liabilities,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>and obligations of the agency are the debts, liabilities, and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>obligations of the parties to the agreement, unless the agreement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>specifies otherwise. The act also authorizes a party to a joint</td>
<td></td>
</tr>
<tr>
<td></td>
<td>powers agreement to separately contract for, or assume</td>
<td></td>
</tr>
<tr>
<td></td>
<td>responsibilities for, specific debts, liabilities, or obligations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>of the agency This bill would eliminate that authorization, and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>would specify that if an agency established by a joint powers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>agreement participates in, or contracts with, a public retirement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>system, member agencies, both current and former to the agreement,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>would be required, upon termination or a decision to dissolve or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>cease operations of the agency, to mutually agree as to the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>apportionment of the agency’s retirement obligations among</td>
<td></td>
</tr>
<tr>
<td></td>
<td>themselves, within 60 calendar days, provided that the agreement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>equals the total retirement liability of the agency.</td>
<td></td>
</tr>
<tr>
<td>Bill</td>
<td>Issue</td>
<td>Position</td>
</tr>
<tr>
<td>--------------</td>
<td>----------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td><strong>AB 2127</strong></td>
<td>Would require the Energy Commission, working with the State Air</td>
<td><strong>Support</strong></td>
</tr>
<tr>
<td><em>(Ting D)</em></td>
<td>Resources Board and the PUC, to prepare and biennially update a</td>
<td></td>
</tr>
<tr>
<td>Amended: 4/16/2018</td>
<td>statewide assessment of the electric vehicle charging</td>
<td></td>
</tr>
<tr>
<td>Electric</td>
<td>infrastructure needed to support the levels of electric vehicle</td>
<td></td>
</tr>
<tr>
<td>vehicle</td>
<td>charging adoption required for the state to meet its goals of putting</td>
<td></td>
</tr>
<tr>
<td>charging</td>
<td>at least 5 million zero-emission vehicles on California roads by</td>
<td></td>
</tr>
<tr>
<td>infrastructure</td>
<td>2030 and of reducing emissions of greenhouse gases to 40% below</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1990 levels by 2030. The bill would require the Energy Commission</td>
<td></td>
</tr>
<tr>
<td></td>
<td>to regularly seek data and input from stakeholders relating to</td>
<td></td>
</tr>
<tr>
<td></td>
<td>electric vehicle charging infrastructure.</td>
<td></td>
</tr>
<tr>
<td><strong>AB 2208</strong></td>
<td>The California Renewables Portfolio Standard Program requires the</td>
<td><strong>Oppose Unless Amended</strong></td>
</tr>
<tr>
<td><em>(Aguiar-Curry D)</em></td>
<td>Public Utilities Commission to establish a renewables</td>
<td><em>(Letter Sent)</em></td>
</tr>
<tr>
<td>Amended: 4/19/2018</td>
<td>portfolio standard requiring all retail sellers to procure a</td>
<td></td>
</tr>
<tr>
<td></td>
<td>minimum quantity of electricity products from eligible renewable</td>
<td></td>
</tr>
<tr>
<td></td>
<td>energy resources so that the total number of kilowatt-hours of those</td>
<td></td>
</tr>
<tr>
<td></td>
<td>products sold to their retail end-use customers achieves 25% of</td>
<td></td>
</tr>
<tr>
<td></td>
<td>retail sales by December 31, 2016, then incrementally increases for</td>
<td></td>
</tr>
<tr>
<td></td>
<td>specified compliance periods to 33% of retail sales by December 31,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2020, 40% by December 31, 2024, 45% by December 31, 2027, and 50%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>by December 31, 2030. This bill would require that not less than an</td>
<td></td>
</tr>
<tr>
<td></td>
<td>unspecified percentage of the incremental procurement requirements</td>
<td></td>
</tr>
<tr>
<td></td>
<td>for each compliance period be satisfied with geothermal, biogas, or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>biomass energy resources procured on or after July 1, 2017, until</td>
<td></td>
</tr>
<tr>
<td></td>
<td>either an unspecified percentage of the total electricity products</td>
<td></td>
</tr>
<tr>
<td></td>
<td>procured to satisfy the overall procurement requirements are from</td>
<td></td>
</tr>
<tr>
<td></td>
<td>those energy resources or December 31, 2030, whichever occurs first.</td>
<td></td>
</tr>
<tr>
<td><strong>AB 2693</strong></td>
<td>Would, upon the declaration of a state of emergency or a local</td>
<td><strong>Recommend</strong></td>
</tr>
<tr>
<td><em>(Wood D)</em></td>
<td>emergency by the Governor, require the Public Utilities Commission</td>
<td>Removal of Opposition</td>
</tr>
<tr>
<td>Amended: 6/20/2018</td>
<td>to collect specified information from</td>
<td>Amended on June 2</td>
</tr>
<tr>
<td></td>
<td>telecommunications service providers relating to the provider’s</td>
<td>to refer to telecommunications</td>
</tr>
<tr>
<td></td>
<td>efforts and resources used to restore telecommunications</td>
<td></td>
</tr>
<tr>
<td></td>
<td>service outages caused by, and to repair or replace related</td>
<td></td>
</tr>
<tr>
<td></td>
<td>network infrastructure or facilities that were damaged as a result of,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>the emergency or a natural disaster.</td>
<td></td>
</tr>
<tr>
<td><strong>AB 2726</strong></td>
<td>The California Global Warming Solutions Act of 2006 designates the</td>
<td><strong>Neutral</strong></td>
</tr>
<tr>
<td><em>(Levine D)</em></td>
<td>State Air Resources Board as the state agency charged with</td>
<td></td>
</tr>
<tr>
<td>Amended: 5/2/2018</td>
<td>monitoring and regulating sources of emissions of greenhouse gases.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>This bill would require the state board to establish and maintain an</td>
<td></td>
</tr>
<tr>
<td></td>
<td>inventory of emissions of greenhouse gases on a consumption-based</td>
<td></td>
</tr>
<tr>
<td></td>
<td>accounting basis, as specified.</td>
<td></td>
</tr>
<tr>
<td><strong>SB 100</strong></td>
<td>The Legislature has found and declared that its intent in</td>
<td><strong>Support</strong></td>
</tr>
<tr>
<td><em>(De León D)</em></td>
<td>implementing the California Renewables Portfolio Standard Program</td>
<td></td>
</tr>
<tr>
<td>Amended: 6/27/2018</td>
<td>requires the PUC is to attain, among other targets for sale of</td>
<td></td>
</tr>
<tr>
<td></td>
<td>eligible renewable resources, the target of 50% of total retail</td>
<td></td>
</tr>
<tr>
<td></td>
<td>sales of electricity by December 31, 2030. This bill would revise the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>above-described legislative findings and declarations to state that</td>
<td></td>
</tr>
<tr>
<td></td>
<td>the goal of the program is to achieve that 50% renewable</td>
<td></td>
</tr>
<tr>
<td></td>
<td>resources target by December 31, 2026, and to achieve a 60% target</td>
<td></td>
</tr>
<tr>
<td></td>
<td>by December 31, 2030.</td>
<td></td>
</tr>
<tr>
<td>Bill</td>
<td>Issue</td>
<td>Position</td>
</tr>
<tr>
<td>--------------</td>
<td>------------------------------------------------------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>SB 237 (Hertzberg D) Amended: 6/13/2018</td>
<td>Current law expressly requires the Public Utilities Commission to authorize direct transactions for nonresidential end-use customers, subject to an annual maximum allowable total kilowatt-hour limit established, as specified, for each electrical corporation, to be achieved following a now completed 3-to-5-year phase-in period. This bill would require the commission to adopt and implement a 2nd phase-in period for expanding direct transactions over a period of not more than 3 years, so that by the end of the 3-year period all nonresidential end-use customers may acquire electric service from other providers in each electrical corporation’s distribution service territory.</td>
<td>TBD</td>
</tr>
<tr>
<td>SB 827 (Wiener D) Amended: 4/9/2018 Planning and zoning: transit-rich housing bonus. Location: Senate Dead</td>
<td>Would require a local government to, if requested, grant a development proponent of a transit-rich housing project a transit-rich housing bonus if that development at the time of submittal meets specified planning standards, including complying with demolition permit requirements, complying with any local inclusionary housing ordinance or, if the local government has not adopted an inclusionary housing ordinance, agreeing to provide a specified percentage of awarded units as onsite affordable housing, preparing a relocation benefits and assistance plan, complying with any locally adopted objective zoning standards, complying with any locally adopted minimum unit mix requirements, and if the development includes specified types of parcels, agreeing to replace those units and to offer units at one of 2 specified affordable rates.</td>
<td>na</td>
</tr>
<tr>
<td>SB 1014 (Skinner D) Amended: 6/27/2018 California Clean Miles Standard and Incentive Program: zero-emission vehicles. Location: Assembly Appropriations</td>
<td>Would require, by January 1, 2020, that the State Air Resources Board establish a baseline for emissions of greenhouse gases for vehicles used on the online-enabled applications or platforms by transportation network companies on a per-passenger-mile basis. The bill would require, by January 1, 2021, that the state board establish, and the commission implement, annual targets and goals starting in 2023 for the reduction under that baseline for emissions of greenhouse gases per passenger mile driven on behalf of a transportation network company. The bill would require that the targets and goals meet specified requirements.</td>
<td>Support (Letter Sent)</td>
</tr>
<tr>
<td>SB 1088 (Dodd D) Amended: 6/12/2018 Safety, reliability, and resiliency planning: general rate case cycle. Location: Assembly Appropriations</td>
<td>The California Emergency Services Act, among other things, establishes the Office of Emergency Services for the purpose of mitigating the effects of natural, manmade, or war-caused emergencies and makes findings and declarations relating to ensuring that preparation within the state will be adequate to deal with those emergencies. This bill would require the office, in consultation with specified public entities, by September 30, 2019, to adopt standards for reducing risks from a major event, as defined.</td>
<td>Oppose Unless Amended (Letter Sent)</td>
</tr>
<tr>
<td>SB 1136 (Hertzberg D) Amended: 6/11/2018 Electricity: load-serving entities: resource adequacy requirements. Location: Assembly Appropriations</td>
<td>Current law requires the Public Utilities Commission, in consultation with the Independent System Operator, to establish resource adequacy requirements for all load-serving entities, as defined, in accordance with specified objectives, including that the resource adequacy requirements facilitate development of new generating capacity and retention of existing generating capacity that is economic and needed. This bill would revise this objective to require that the resource adequacy requirements also facilitate development of new nongenerating and hybrid capacity and retention of existing nongenerating and hybrid capacity that is economic and needed.</td>
<td>Closely Monitor</td>
</tr>
<tr>
<td>Bill</td>
<td>Issue</td>
<td>Position</td>
</tr>
<tr>
<td>----------</td>
<td>----------------------------------------------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>SB 1339 (Stern D)</td>
<td>Would require the Public Utilities Commission, as part of a specified rulemaking, to consider the role of microgrids in providing grid resiliency and to establish a tariff for each electrical corporation for the use of microgrids to provide electrical grid resiliency. The bill would require the commission (1) to direct each electrical corporation to file an advice letter implementing the tariff, (2) to approve an advice letter only if it minimizes costs and maximizes benefits to all ratepayers and meets the requirements of the rulemaking, and (3) to approve, reject, or modify each advice letter before January 1, 2020.</td>
<td>Back Up CalCCA’s Efforts</td>
</tr>
<tr>
<td>SB 1347 (Stern D)</td>
<td>Would, by January 1, 2020, require the Public Utilities Commission, in addition to the requirements described above, to direct electrical corporations, community choice aggregators, electric service providers, and certain electrical cooperatives (collectively, load-serving entities) to procure their proportionate share of a total of 2,000 megawatts, in aggregate, of energy storage systems and would authorize the commission to direct the load-serving entities to procure additional energy storage system capacity, as specified. The bill would authorize the electrical corporations to own and operate a certain percentage of these energy storage systems, measured by capacity, if certain conditions are met.</td>
<td>Back Up CalCCA’s Efforts</td>
</tr>
<tr>
<td>SB 1399 (Wiener D)</td>
<td>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. The bill would require the commission to ensure that the credits reflect the full value of the electricity from the eligible renewable generating facilities and the credits are established using the same methodology that is used to determine credits under the standard contract or tariff for eligible customer-generators.</td>
<td>Back Up CalCCA’s Efforts</td>
</tr>
</tbody>
</table>

**Regulatory Update**

**Power Charge Indifference Adjustment (PCIA)**

On June 1\textsuperscript{st} parties to the PCIA Proceeding submitted opening briefs summarizing their legal conclusions and policy recommendations. CalCCA’s brief focused on 1) strategies like securitization and voluntary buy-down of contract payments to reduce costs for all customers, and, 2) a quarterly auction to extract the most value possible and to reduce the amount of costs and contracts under litigation. The Joint Utilities continued to advocate for a forced allocation of all non-GHG emitting resources, the “green allocation mechanism” or “GAM”.

On June 15\textsuperscript{th}, parties filed reply briefs to opine on those filed two weeks earlier. The IOUs argued that their proposal is the only one that can be implemented quickly, and the only one that truly preserves customer indifference by dividing costs and
attributes between all customers. CalCCA noted that the utility proposal is not supported by law – which allows for assignment of net unavoidable costs, not products – would disrupt the market by requiring short-term energy transactions, and does nothing to address the underlying problem of above-market costs.

CalCCA and individual CCAs, including Sonoma Clean Power, have held ex-parte meetings with multiple Commissioner’s offices and Energy Division staff. SCP staff showed that the utilities proposal to forcibly allocate renewable energy credits and capacity to existing CCAs would push our portfolio to over 75% RPS in 2020, over double the 33% required. The results for MCE are even more dire: they would be forced over 100% RPS from 2024 onwards.

Final oral arguments are scheduled for August 2nd. The Assigned Judge had estimated a Proposed Decision in July, but given the date set for oral arguments, late August or early September is more likely.

**CPUC White Paper on Customer Choice**

CPUC staff issued a white paper on the Customer Choice it dubbed “The Green Book”. This paper poses a series of questions, the essence of which is: how customer choice affects the State’s ability to achieve its goal of affordably decarbonizing the electric sector while ensuring reliability. Though the recent focus has been on CCAs, Direct Access customers and those taking service from on-site generation impact utility load as well. The paper raises the specter of another energy crisis, with President Picker cautioning that “The last time California looked at [retail] choice, it had a plan, however flawed. Now... we do not have a plan.”

The CPUC hosted an *en banc* meeting on June 22nd to discuss the customer choice topics in their paper. All five CPUC Commissioners, as well as three California Energy Commissioners were present. Unlike last year’s *en banc*, CalCCA was successful in ensuring that CCA representatives were allowed to speak on most of the panels, creating a more balanced discussion.

Deb Emerson represented CCAs on one of the most important panels of the day – ensuring grid reliability. Despite an adversarial environment she articulated that the supply of capacity to maintain a reliable grid is decreasing due to plant retirements, which would happen with or without CCAs in the market. In addition, Deb highlighted that to date every CCA has been compliant with Resource Adequacy rules to ensure reliability, but that other entities – including an IOU – have filed waivers when they were unable to meet compliance obligations.
June 14, 2018

The Honorable Chris Holden, Chair
Assembly Utilities & Energy Committee
State Capitol, Room 5132
Sacramento, CA 95814

Re: SB 1088 (Dodd) – Oppose

Dear Chairman Holden:

As the default electricity provider for Sonoma and Mendocino counties, Sonoma Clean Power (SCP) is writing to express its opposition to SB 1088 as amended on June 12, 2018.

SCP supports the creation of standards for reducing risks from future fires by requiring the electrical corporations to submit a safety, reliability, and resiliency plan to the California Public Utilities Commission.

It is important to note that Community Choice Aggregators (CCAs) and other third-parties have an existing right today to own and operate distribution grid reliability equipment and programs, and to be compensated for that service. The existing language in the bill would remove these rights.

The bill would create a new monopoly on distribution grid reliability for the investor-owned utilities and create a situation where CCA customers would end up paying twice for reliability whenever a CCA or third party provides that service.

For example, SCP’s GridSavvy program would be blocked in the future under the current language in SB 1088 (Dodd). Under SCP’s GridSavvy program, we have deployed 1,900 smart electric vehicles chargers throughout our territory to encourage electric vehicles and also to provide distribution grid reliability services. Last year, SCP bid into PG&E’s existing DRAM program to provide distribution reliability services and found that participating in the CAISO’s program was more valuable. However, the program is set up to participate in both current and future distribution-grid reliability services and markets, and we believe CCAs can provide these services at a lower ratepayer cost than an IOU.

The language in this bill would remove an existing right and give it exclusively to the IOUs. We have been working with Senator Dodd in hopes of coming to a resolution. However, the language that was provided to the CCAs by Senator Dodd only allows for CCAs to continue with existing programs, and will remove the CCAs ability to be compensated for their distribution-grid reliability work. SCP is asking that both the ability of a CCA to own and operate distribution grid reliability equipment and programs along with the CCAs being compensated for that service continue.
Thank you for your consideration of SCP’s concerns. Please vote “No” when this bill is heard before your committee.

Sincerely,

Geof Syphers
Chief Executive Officer
Sonoma Clean Power

cc: Members of the Assembly Utilities & Energy Committee
    The Honorable Bill Dodd
    The Honorable Mike McGuire
    The Honorable Ben Allen
    Ms. Kellie Smith, Chief Consultant
    Ms. Barbara Gausewitz, Consultant
June 14, 2018

The Honorable Ben Hueso, Chair
Senate Energy, Utilities & Communications Committee
State Capitol, Room 4035
Sacramento, CA 95814

Re: AB 813 (Holden) – Support as Amended on June 6, 2018

Dear Chairman Hueso:

As the default electricity provider for Sonoma and Mendocino Counties, Sonoma Clean Power (SCP) is pleased to support AB 813 (Holden) as amended on June 6, 2018.

AB 813 sets out a transparent process for creating and evaluating proposals to regionalize the independent system operators. SCP further believes that a well-crafted plan could reduce costs for California ratepayers, reduce greenhouse gas emissions by exposing coal-fired power plants to competition from cheaper clean sources, and create a stronger market with lower risk for building new renewable resources here in California.

While we remain undecided on whether we will support regionalization itself, SCP believes that a proposal should definitely be developed to consider the option before other regional grid operators eliminate the option for California to participate. We urge your support of AB 813.

Sincerely,

Geof Syphers, CEO

cc: Members of the Senate Energy, Utilities & Communications Committee
The Honorable Chris Holden
Ms. Nidia Bautista, Chief Consultant
Ms. Kerry Yoshida, Consultant
June 20, 2018

The Honorable Ben Hueso, Chairman  
Senate Energy Utilities & Communications Committee  
State Capitol, Room 4035  
Sacramento, CA 95814

Re: AB 893 (Hueso) – Oppose

Dear Chairman Hueso:

I am writing to inform you that Sonoma Clean Power (SCP) opposes AB 893 (E. Garcia) as amended on April 26, 2018. AB 893 establishes a statewide target of 2,500 megawatts of electricity generated by geothermal powerplants and requires all retail sellers of electricity to procure a proportionate share of the geothermal target.

Sonoma Clean Power is the public electricity provider for Sonoma and Mendocino counties. We provide our customers cleaner electricity at competitive rates and promote local solutions to climate change. SCP is a not-for-profit public agency, independently run by the participating Cities of Cloverdale, Cotati, Fort Bragg, Petaluma, Point Arena, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Willits, Windsor, and the Counties of Sonoma and Mendocino.

Forty-two percent of the power SCP provides to our basic customers comes from renewable sources like solar, geothermal, wind and biomass. Over 10 percent of our portfolio comes from the Geysers geothermal facility today. If AB 893 were to pass as currently drafted, it would require SCP to procure unnecessary geothermal power. It is important to note that AB 893 is drafted to benefit the Salton Sea Known Geothermal Resource Area. Mandating an energy provider to procure a particular resource would put the energy provider in handcuffs. In addition, an electric provider in Northern California would experience significantly different congestion costs and risks in purchasing geothermal power from the Salton Sea, compared to a provider in San Diego.

When AB 893 comes before your committee, we respectfully ask that you vote “no” on this bill. Thank you for your attention to our concerns.

Sincerely,

Geof Syphers, CEO

cc: Members of the Senate Energy Utilities & Communications Committee  
The Honorable Edward Garcia  
Nidia Bautista, Chief Consultant  
Kerry Yoshida, Consultant
Staff Report – Item 06

To: Sonoma Clean Power Authority Board of Directors

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

Issue: Approve Exhibit A of SCP’s Integrated Resource Plan

Date: July 12, 2018

Requested Board Action:

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

Exhibit A is due as a compliance filing to the California Public Utilities Commission (CPUC) before August 1, 2018. It includes certain elements of SCP’s full IRP but is based on CPUC-required templates.

Background

It is uncommon for staff to bring a compliance filing to the Board for approval, but this filing is made under circumstances where the CPUC is asserting increased powers over CCA procurement decisions, and staff therefore feel it is important to have this filing approved by our own Board of Directors prior to sharing the information with the CPUC.

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 completed report, a completed GHG calculator and two completed resource 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 the fall of 2018.

Staff is requesting that the Board approve Exhibit A prior to sharing with the CPUC by the deadline of August 1, 2018. SCP staff is not including the two resource data templates, as they are summarized in the report, and it is not practical to print out the large spreadsheets.

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 Board meetings. The reporting in Exhibit A, however, is constrained by the CPUC’s rules, and is fairly inflexible for this compliance filing.

**May 24, 2018 Community Advisory Committee**

On May 24th, SCP staff had a lengthy discussion with SCP’s Community Advisory Committee (CAC) on how to recommend approval of a document that is not based on SCP’s best available data (due to CPUC-required templates and instructions). In the end, the CAC decided to make the following motion: “to approve recommendation SCP’s Board on the submittal of SCP’s 2018 IRP Exhibit A per the CPUC rules and subject to additional CPUC direction with an understanding that a full SCP Integrated Resource Plan (with more accurate data) will be developed and provided to the CAC and Board in 2018.” The CAC unanimously recommended submittal of the document per the CPUC’s rules, while asking staff to return with another SCP document containing all of SCP’s best available information.
SONOMA CLEAN
POWER
AUTHORITY

2018 INTEGRATED RESOURCE PLAN EXHIBIT A

APPROVED BY SCPA BOARD ON ______
SUBMITTED TO THE CPUC ON ______
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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 (as of 6/1/2018) serves approximately 223,000 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 ______, SCP makes this submission on ______.

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 may create 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 Q3 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 v1.4.5” to calculate that its GHG emissions in 2030 will be 0.152 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 v1.4.5
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 v1.4.5; (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 v1.4.5, 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 may be 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</td>
<td>SCP-specific assumptions on:</td>
</tr>
<tr>
<td></td>
<td>Does not incorporate local and LSE-specific forecasts</td>
<td>-population growth</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-housing stock and fire rebuild efforts in Sonoma and Mendocino Counties</td>
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<tr>
<td></td>
<td></td>
<td>-SCP opt-out rate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-Electric vehicle growth</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-Other Electrification</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-BTM Solar</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-Expected energy efficiency</td>
</tr>
<tr>
<td>Hourly Load Profile</td>
<td>Provided by CPUC in GHG Calculator for IRP v1.4.5.  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 v1.4.5.  Based on resource and location-specific forecasts</td>
<td></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 v1.4.5.  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>
<tr>
<td>T&amp;D Losses</td>
<td>Uses 7.3% loss factor to scale up retail load to loss-adjusted load</td>
<td>SCP uses SCP-specific losses and UFE to calculate retail vs. loss-adjusted load. Per Renewables Portfolio Standard, Power Source Disclosure and Climate Registry guidelines, SCP uses retail load, not loss-adjusted load</td>
</tr>
</tbody>
</table>
b. Methodology

i. Modeling Tool(s)

To produce Exhibit A, SCP used the CPUC’s GHG Calculator for IRP v1.4.5 (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 v1.4.5 (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 379 MW in 2018. SCP’s estimated 2030 portfolio assumes that such contracts will grow to an equivalent capacity figure of 415 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 2024.1 Accordingly, SCP’s current target for storage is 5.12 MW. However, SCP is also allowed to count portions of customer-installed storage projects towards its 1% requirement, and such portions totaled 0.77 MW² as 6/1/18. Nevertheless, to be conservative, SCP 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.
² According to PG&E’s Advice Letter 5304-E, filed on 6/1/2018
Resource Adequacy (RA)-Only
SCP currently has numerous RA-only contracts that it uses to supplement the 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 (as of 6/1/2018) 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 4

<table>
<thead>
<tr>
<th>CPUC Benchmark for SCP, Per 4/3/18 Order</th>
<th>2030 GHG Emissions (MMT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCP Calculation, Using GHG Calculator for IRP v1.4.5</td>
<td>0.152</td>
</tr>
</tbody>
</table>

Note: SCP’s forecasted 2030 GHG emissions are even lower than what is listed above, due to differences outlined in Table 3 above.

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 v1.4.5, 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 June 1, 2018, SCP had deployed 1,932 Level 2 smart-grid charging units, with 690 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 year-ahead and quarter-ahead 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 will be submitting an RPS Procurement Plan in the second half of 2018. While much of the data within SCP’s RPS Procurement Plan will be consistent with this Exhibit A, there will be few key differences:

1. SCP’s RPS Procurement Plan will be based on SCP’s 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 will be 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 will include 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.

As of 7/4/2018, SCP’s RPS Procurement Plan is due to the CPUC on 7/20/2018. However, the due date will likely be shifted back, due to a request for an extension submitted by the Joint IOUs on 6/28/2018.
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. SCP must continually shape the characteristics of its portfolio in accordance with legislative and policy changes, technological improvements, and new information about markets and risk. To manage this uncertainty, SCP continually 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 (in California) 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 (as attachment 1) its completed version of the CPUC’s Baseline Resource Data Template. SCP would like to note the following:

- With respect to RA-only contracts, SCP has listed all of its existing contracts as of 6/1/2018. In accordance with guidance from CPUC staff at a meeting on 5/31/18, SCP has not provided a list of estimated future RA-only contracts. Nevertheless, 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.
- SCP has not provided the “Resource ID” and/or “Resource Type” for some of its RA-only and PCC 2 contracts – specifically those that are seller’s choice contracts.
- SCP has 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.

b. **New Resource Data Template**

SCP has included (as attachment 2) its completed version of the CPUC’s New Resource Data Template. SCP would like to note the following:

- SCP is defining “new resources” as new steel in the ground with a commercial operation date after 12/31/17.
- SCP has 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.
- SCP has listed “NA” for “Total Fixed Costs” associated with its expected new resources, as SCP will be the buyer and not the developer of these projects.
c. Other Data Reporting Guidelines

SCP has included (as attachment 3) its completed version of the CPUC’s GHG Calculator for IRP v1.4.5. SCP would like to note the following:

- In order to account for the GHG-free power associated with its large hydro energy contracts, SCP has back-calculated the implied capacities using the CPUC’s GHG Calculator. In other words, SCP has entered into the calculator (on the Dashboard tab) the hydro capacity figures that – when run through the CPUC’s hydro dispatch profiles – will result in the correct GWhs (i.e., the volumes specified in the contracts or the volumes projected to be under contract in the future).

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 very 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.
**Staff Report – Item 07**

To: Sonoma Clean Power Authority Board of Directors  
From: Rachel Kuykendall, Programs Manager  
Issue: Review and approve contract between Electric Motor Werks (EMW) and Sonoma Clean Power for Residential EV Charger Program  
Date: July 12, 2018

**Requested Board Action:**

Review and approve contract with Electric Motor Werks to provide residential charging equipment to Sonoma Clean Power customers.

**Background:**

Beginning in 2016, Staff contracted with Electric Motor Werks (EMW) to offer Sonoma Clean Power customers up to 2 free residential electric vehicle chargers capable of receiving a remote signal for demand response. SCP currently offers three charger types: the JuiceBox Pro 40, valued at $501.86, the ClipperCreek JuiceNet Edition, valued at $689.00, and the AeroVironment EVSE-RS, valued at $689.00. Customers pay for shipping, handling and tax for the chargers (roughly $100 per charger) as well as any installation fees. Beginning this year, Sonoma Clean Power began offering a one-time activation incentive of $150 and a $5 per month on-going bill credit for customers participating in the GridSavvy Community, Sonoma Clean Power’s demand response program.

In total, Sonoma Clean Power has deployed 1,756 residential vehicle chargers over the two-year program window.

**Proposed Changes to 2018-2019 FY Program:**

Staff is recommending the following changes for the 2018-2019 fiscal year electric vehicle charging station program.

- Limit chargers to 1 per customer, unless approved by SCP Programs Director. There is less than a 10% activation rate for 2nd chargers, and orders for
second chargers have been more likely to be flagged as fraudulent (e.g., purchase for resale).

- SCP will be working to transition to a new GridSavvy webstore in Q3-Q4 of 2018. This will allow the store to feature additional demand response technologies such as heat pump water heaters, batteries, and smart thermostats. The webstore will also feature instant enrollment into the GridSavvy program, saving staff time currently dedicated to manual enrollment. The contract for Electric Motor Werks, who currently hosts our webstore, is reflective of this change with a budget decrease in January 2019.

- Staff is proposing to change the overall incentive structure as follows: offer incentive of 50% of charger price (including tax and shipping) up front and 50% of charger price (including tax and shipping) on the back end once the charger is activated. SCP and Electric Motor Werks are able to remotely pick up the IP connection of the charger, so there won’t be an additional burden on customers by shifting the payment to the back end. This equates to roughly the same overall incentive (charger + $150 activation) SCP is currently offering, but will serve to increase activation rates and allow staff to withhold post-installation rebates for chargers installed outside of the SCP service area.

**Contract:**
Staff is seeking the approval of the above program changes and the contract for Electric Motor Werks for the residential electric vehicle charging station program. The proposed contract with Electric Motor Werks, with a not-to-exceed budget of $48,000 for services and $700,000 for equipment, will include hosting of the current webstore through December 2018, technical assistance to SCP customers, implementation of a demand response program, and general support to SCP staff and SCP GridSavvy program implementer. For reference, the FY 2017-2018 budget associated with this contract had a not-to-exceed budget of $60,000 for services and $700,000 for equipment.

The attached contract is based on our Standard Services Agreement and is similar to the existing contract between Electric Motor Werks and SCP. On June 25, 2018, the Community Advisory Committee reviewed the contract and voted unanimously to recommend approval of the contract to the board of directors. Since the June 25th meeting, minor clarifying edits have been made to the “Demand Response” section of the contract (page 13) to finalize reporting requirements between SCP and Electric Motor Werks. These changes do not affect the overall scope or budget.
AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement for Professional Services (“Agreement”), dated as of July __, 2018 (“Effective Date”) is made by and between the Sonoma Clean Power Authority (“SCPA”), a California joint powers authority, and Electric Motor Werks, Inc., a California corporation doing business as eMotorWerks (“Consultant”). SCPA and Consultant may be individually referred to as a “Party” or collectively as “Parties.”

1. **Scope of Services:** Consultant agrees to provide any and all of the services as described in Exhibit A.

2. **Performance Standard:** Consultant warrants that it is duly registered and licensed to perform work in the State of California and that it possesses the necessary training, experience and skill to competently and professionally provide the services described in Exhibit A. If SCPA determines that any of Consultant’s work is not in accordance with the level of competency and standard of care normally observed by a person practicing in Consultant’s profession, SCPA, in its sole discretion, shall have the right to do any or all of the following:
   a. require Consultant to meet with SCPA to review the quality of Consultant’s work and resolve matters of concern;
   b. require Consultant to repeat the work at no additional charge until the work meets the level of competency and standard of care normally observed by a person in Consultant’s profession;
   c. terminate this Agreement pursuant to Section 6; or
   d. pursue any and all other remedies at law or in equity.

3. **Staffing and Coordination:** Consultant shall cooperate, and closely coordinate, with SCPA staff in providing all services under this Agreement. Consultant’s employee Alan White is considered to be “Key Personnel” without whom SCPA would not have entered into this Agreement. Consultant shall not terminate or remove Mr. White from providing services under this Agreement without the written approval of SCPA.

4. **Payment:** For all services performed hereunder, Consultant shall be paid at the flat rate of $5,000.00 per month, inclusive of all expenses, through December 31st, 2018. After December 31st, Consultant shall be paid at the flat rate of $3,000.00 per month, inclusive of all expenses. If the transition of webstore to third party
vendor (See Exhibit A, Scope of Work, Item 1) occurs prior to December 31, 2018, then Consultant shall be paid at the flat rate of $3,000 per month for each month after the transition occurs. SCPA shall notify Consultant of date of transition from Phase 1 (Use of Consultant’s Webstore) to Phase 2 (Fulfillment of Orders through third Party Webstore) by writing at least 14 days in advance of the date of transition.

Consultant shall submit one invoice for each calendar month in which services are performed. Upon receipt of properly prepared invoicing, SCPA shall pay Consultant within 30 calendar days for services provided in accordance with this Agreement. In no event shall the amount payable for services performed during the term of this Agreement exceed $48,000.00.

Consultant shall also submit invoices for each calendar month in which Equipment is sold to customers. Upon receipt of properly prepared invoicing, in accordance with the documentation required in Exhibit A, SCPA (either directly or through its consultant) shall pay Consultant within 30 calendar days for equipment sold in accordance with this Agreement. In no event shall the amount payable for equipment sold during the term of this Agreement exceed $700,000.00.

Consultant will email an itemized list (in Excel spreadsheet format) containing information about each customer purchasing equipment: the purchasing customer name, email address, and PG&E account number, the equipment purchased and shipped, customer’s status with respect to equipment activation on JuiceNet, last charger IP address location, time of last IP connection with charger, charger location zip code as provided at time of activation.

5. **Term of the Agreement:** The initial term of this Agreement shall be from the Effective Date to June 30, 2019, unless terminated pursuant to Section 6 or amended by a written, executed amendment to the Agreement.

6. **Termination:** Notwithstanding any other provision of this Agreement, at any time and without cause, the Parties shall have the unequivocal right to terminate this Agreement by giving thirty (30) calendar days written notice to the other Party. Notwithstanding any other provision of this Agreement, should Consultant fail to perform any of its obligations or violate any of the terms of this Agreement.
Agreement (Termination for Cause), SCPA may, upon providing Consultant written notice stating the reason for termination, immediately terminate this Agreement. In the event of termination, Consultant, within fourteen (14) calendar days following the date of termination, shall deliver to SCPA all materials and work product subject to Section 16 and shall submit to SCPA a final invoice for all outstanding payments.

7. **Indemnification:** Consultant will indemnify and hold SCPA harmless from all claims, demands, or liability arising out of or resulting from Consultant’s negligent acts or omissions in the performance of Consultant’s obligations under this Agreement, excepting any claims, demands or liability caused solely (as between SCPA and Consultant) by the fault or negligence of, or by the willful misconduct of, SCPA and SCPA’s agents, employees, representatives, officers, and servants (with the exception of Consultant). The indemnification shall include reasonable legal fees. Legal counsel shall be selected by SCPA, subject to the approval of Consultant. Consultant’s approval of legal counsel shall not be unreasonably withheld. SCPA shall promptly notify Consultant of any adverse claims and cooperate with Consultant and its agents and attorneys in the investigation and management of such claims, including claims arising out of Consultant’s negligence.

8. **Insurance:** Consultant shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain insurance as described below unless such insurance has been expressly waived in writing by SCPA.
   a. If Consultant has employees at any time during the term of this Agreement, Workers Compensation insurance with statutory limits as required by the Labor Code of the State of California, and Employers Liability with minimum limits of $1,000,000 per accident; $1,000,000 disease per employee; $1,000,000 disease per policy.
   b. Commercial General Liability Insurance with Minimum Limits: $1,000,000 per occurrence; $2,000,000 general aggregate; $2,000,000 products/completed operations aggregate. The required limits may be provided by a combination of General Liability Insurance and Commercial Umbrella Liability Insurance. If Consultant maintains higher limits than the specified minimum limits, SCPA requires and shall be entitled to coverage for the higher limits maintained by Consultant.
      1. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. Deductibles or self-insured
retention that exceeds $25,000 must be approved in advance by SCPA. Consultant is responsible for any deductible or self-insured retention and shall fund it upon SCPA’s written request, regardless of whether Consultant has a claim against the insurance or is named as a party in any action involving SCPA.

2. SCPA shall be an additional insured for liability arising out of operations by, or on behalf of, the Consultant in the performance of this Agreement.

3. The insurance provided to the additional insureds shall be primary to, and non-contributory with, any insurance or self-insurance program maintained by them.

4. The policy shall cover inter-insured suits between the additional insureds and Consultant and include a “separation of insureds” or “severability” clause which treats each insured separately.

c. Automobile Liability Insurance with Minimum Limit of $1,000,000 combined single limit per accident. Automobile Insurance shall apply to all owned autos. If Consultant currently owns no autos, Consultant agrees to obtain such insurance should any autos be acquired during the term of this Agreement. Automobile Insurance shall apply to hired and non-owned autos.

d. Professional Liability/Errors and Omissions Insurance with Minimum Limit of $1,000,000 per claim or per occurrence. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds $25,000 it must be approved in advance by SCPA. If the insurance is on a Claims-Made basis, the retroactive date shall be no later than the commencement of the work. Coverage applicable to the work performed under this Agreement shall be continued for two (2) years after completion of the work. Such continuation coverage may be provided by one of the following: (1) renewal of the existing policy; (2) an extended reporting period endorsement; or (3) replacement insurance with a retroactive date no later than the commencement of the work under this Agreement.

e. Insurers, other than the California State Compensation Insurance Fund, shall have an A.M. Best’s rating of at least A: VII.
f. The Certificate of Insurance must include the following reference: Sonoma Clean Power Authority.

g. All required Evidence of Insurance shall be submitted to SCPA within 3 business days of the Effective Date. Consultant agrees to maintain current Evidence of Insurance on file with SCPA for the entire term of this Agreement.

h. The name and address for Additional Insured endorsements and Certificates of Insurance is: Sonoma Clean Power Authority, Attn: Contract Administration, 50 Santa Rosa Avenue, Fifth Floor, Santa Rosa, CA, 95404.

i. Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) business days before expiration or other termination of the existing policy.

j. Consultant shall provide SCPA immediate written notice if:
   1. any of the required insurance policies are terminated;
   2. the limits of any of the required policies are reduced; or
   3. the deductible or self-insured retention is increased.

k. Upon written request, certified copies of required insurance policies must be provided within thirty (30) calendar days.

l. Consultant’s indemnity and other obligations shall not be limited by these insurance requirements.

9. **Status of Consultant:** Consultant, in performing the services under this Agreement, shall act as an independent contractor and shall control the work and the manner in which it is performed. At no time shall Consultant work as an agent or employee of SCPA and at no time shall Consultant be entitled to participate in any pension plan, worker’s compensation plan, insurance, bonus, or similar benefits SCPA provides its employees. In the event SCPA exercises its right to terminate this Agreement pursuant to Section 6, Consultant expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees.

10. **No Suspension or Debarment:** Consultant warrants that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any state or federal department or agency. Consultant also warrants that it is not suspended or debarred from receiving federal funds as listed in the List of Parties Excluded from Federal Procurement Participation Program.
from Federal Procurement or Non-procurement Programs issued by the General Services Administration.

11. **Taxes:** Consultant agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement. Consultant shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes. Consultant agrees to indemnify and hold SCPA harmless from any liability which it may incur to the United States or to any US State as a consequence of Consultant’s failure to pay, when due, all such taxes and obligations. In the event SCPA is audited for compliance regarding any withholding or other applicable taxes, Consultant agrees to, in a timely fashion, furnish SCPA with proof of payment of taxes on these earnings.

12. **Records Maintenance:** Consultant shall keep and maintain full and complete documentation and accounting records concerning all services performed that are compensable under this Agreement and shall make such documents and records available to SCPA for inspection at any reasonable time. Consultant shall maintain such records for a period of five (5) years following the expiration or termination of this Agreement.

13. **Conflict of Interest:** Consultant warrants that it presently has no interest, and that it will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law or that would otherwise conflict in any manner or degree with Consultant’s performance under this Agreement. Consultant further warrants that in the performance of this Agreement no person having any such interests shall be assigned by Consultant to perform work under this agreement nor be given access to the information described in Section 16. Consultant shall comply with any and all applicable California Fair Political Practices Act requirements.

14. **Statutory Compliance:** Contractor shall comply with all applicable federal, state and local laws, regulations, statutes and policies applicable to the services provided under this Agreement.

15. **Nondiscrimination:** Without limiting any other provision of this Agreement, Consultant shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical
condition, pregnancy, disability, sexual orientation or other prohibited basis. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated by reference.

16. **Confidentiality, Ownership and Disclosure of Work Product:** All information obtained by Consultant under this Agreement shall be deemed confidential (“Confidential Information”). Unless SCPA provides written permission, Consultant is compelled by a court of law or regulatory agency, or Consultant obtained Confidential Information from a source or sources other than SCPA, Consultant shall not share Confidential Information with any other person or entity outside of SCPA staff and SCPA authorized representatives. Consultant further agrees to execute non-disclosure agreements related to protecting Confidential Information as requested by SCPA. Provisions related to Confidential Information shall survive expiration or termination of the Agreement for a period of five (5) years. All reports, original drawings, graphics, plans, studies, and other data or documents (“Documents”), in whatever form or format, produced by Consultant or Consultant’s subcontractors, consultants, and other agents within the term and scope of this Agreement shall be the property of SCPA. SCPA shall be entitled to immediate possession of such Documents upon completion of the work pursuant to this Agreement. Upon expiration or termination of this Agreement, Consultant shall promptly deliver to SCPA all such Documents, which have not already been provided to SCPA in such form or format, as SCPA deems appropriate. Such Documents shall be and will remain the property of SCPA without restriction or limitation.

17. **Assignment and Delegation:** Parties shall not assign, delegate, sublet, or transfer any interest in, or duty under, this Agreement without the prior written consent of the other.

18. **Written Communications:** All written communications, including notices, bills and payments, may be made via electronic mail or to the following addresses:

    TO: SCPA:  
        Sonoma Clean Power Authority  
        Attn: Contract Administration  
        50 Santa Rosa Avenue, 5th Floor  
        Santa Rosa, CA  95404

    TO: CONSULTANT:  
        eMotorWerks  
        ATTN: Alan White

Agreement for Professional Services, Page 7
19. **No Waiver of Breach**: The waiver by SCPA of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement.

20. **Construction**: To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The Parties agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated. The Parties acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one Party in favor of the other. Parties acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

21. **Consent**: Wherever in this Agreement the consent or approval of one Party is required to an act of the other Party, such consent or approval shall not be unreasonably withheld or delayed.

22. **No Third-Party Beneficiaries**: Nothing contained in this Agreement shall be construed to create, and the Parties do not intend to create, any rights in third parties.

23. **Applicable Law and Forum**: This Agreement shall be construed and interpreted according to the substantive law of California, regardless of the law of conflicts to the contrary in any jurisdiction. Any action to enforce the terms of this Agreement, or for the breach of this Agreement, shall be brought and tried in Santa Rosa, California, or the forum nearest to the city of Santa Rosa, in the County of Sonoma.

24. **Exhibits**: In the event of a conflict between the body of this Agreement and any Exhibits or attachments, the language in the body of this Agreement shall prevail.
25. **Captions:** The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.

26. **Merger:** This writing is intended both as the final expression of the Agreement between the Parties with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to California Code of Civil Procedure Section 1856. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both Parties.

27. **Survival of Terms:** All express representations, waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion or termination for any reason.

28. **Time of Essence:** Time is and shall be of the essence of this Agreement and every provision within this Agreement.
By signing below, the signatories warrant that each has authority to execute this Agreement on behalf of their respective Parties, and that this Agreement is effective as of the Effective Date.

Electric MotorWerks, Inc

By: ______________________________
    Alan White
    Chief Business Officer

Date: ______________________________

Sonoma Clean Power Authority:

By: ______________________________
    Geof Syphers
    Chief Executive Officer

Date: ______________________________

APPROVED AS TO FORM FOR SCPA:

By: ______________________________
    General Counsel

Date: ______________________________
EXHIBIT A

SCOPE OF WORK

SERVICE OVERVIEW:
Under the umbrella of SCPA’s GridSavvy Program, Consultant shall provide Electric Vehicle Supply Equipment and technical product support for SCPA. This includes:

- Identifying three or more Electric Vehicle Supply Equipment products that are JuiceNet-enabled.
- Through no later than December 31st 2018, maintaining a web page where customers can directly procure charging station products. After December 31st 2018 or earlier date provided in writing by SCPA, working with SCPA and third-party web page consultant to provide technical and programmatic support for Electric Vehicle Supply Equipment products.
- Responding to demand response signals sent by GridSavvy Program Implementer.
- Providing reports to SCPA and associated third party vendor as requested.
- Provide technical product support to SCPA customers through call and online systems.
- Ongoing program support.

TASKS:

1. PROGRAM WEB PAGES
In an effort to connect EVSE Equipment to the larger GridSavvy program, SCPA will migrate to a new webstore owned and operated by SCPA or its third-party vendor. This transition shall happen no later than December 31, 2018. SCPA shall notify Consultant of date of transition from Phase 1 (Use of Consultant’s Webstore) to Phase 2 (Fulfillment of Orders through third-party Webstore) by writing at least fourteen (14) days in advance of transition. In the next month following this transition, monthly fee paid to Consultant shall transition from $5,000 to $3,000.

Provide content, editorial review, and design suggestions for SCPA and/or SCPA’s consultants/agents for a series of web pages to promote Electric Vehicle Supply Equipment under the GridSavvy program through the process described below. A minimum of three Equipment options will be offered. Coordinate with SCPA staff, or its consultants and agents, to design copy, pricing, discounts and process, including
customer verification protocol and information flow through December 31st, 2018. After December 31st, 2018, Coordinate with SCPA staff and its consultants and agents, to design copy and provide reports as detailed in Phase 2 below.

**Phase 1: Use of Consultant’s Webstore**

Consultant shall, maintain, a webstore where customers will order discounted JuiceNet-enabled Level 2 charging equipment (the “Equipment”) and be allowed to sign up for the GridSavvy Demand Response Community. SCPA customers must order equipment and apply for SCPA-provided incentives through the SCPA web page developed by Consultant. Upon receiving orders through the SCPA web page, Consultant shall conduct a full applicant review, including Q&A, online support, and use an SCPA-provided online verification tool to verify whether the customer is an SCPA customer. Once SCPA customer status is verified, Consultant shall process and fulfill SCPA customer requests for Equipment.

Within 1 business day, Consultant shall notify SCPA by writing with any updates to equipment, equipment pricing, backorders of equipment, or suspected fraudulent activity.

Each week, consultant will email an itemized list (in Excel spreadsheet format) containing the following information weekly:

- A cumulative list, from the beginning of the fiscal year, that includes order number, purchasing customer name, email address, PG&E account number, service address, shipping address, equipment(s) ordered and shipped, status with respect to equipment activation on JuiceNet, last charger IP address location, time of last IP connection with charger, charger location zip code as provided at time of activation.

**Phase 2: Fulfillment of Orders through Third-Party Webstore**

Consultant shall process orders that are received through Application Programming Interfaces (APIs) from an online SCPA webstore developed by SCPA or its third-party vendor. Customer verification shall be conducted by SCPA or its third-party vendor prior to order being sent via API to Consultant. Customer sales tax on the retail value
of the Equipment (as shown in the chart below) plus the shipping and handling fee of $50 shall be charged by SCPA or its third-party vendor, with the shipping fee remitted to Consultant on a daily basis via electronic transfer. Consultant will provide the necessary exchange of information to SCPA and its third-party vendor via APIs. Consultant shall coordinate with SCPA or its third-party vendor to implement processes for order fulfillment from a third party webstore and ensure a good customer experience.

Each week, Consultant will email an itemized list (in Excel spreadsheet format) containing the following information:

A cumulative list, from the beginning of the fiscal year, that includes order number, purchasing customer name, email address, PG&E account number, service address, shipping address, equipment(s) ordered and shipped, status with respect to equipment activation on JuiceNet, last charger IP address location, time of last IP connection with charger, charger location zip code as provided at time of activation.

Within 1 business day, Consultant shall notify SCPA or its third-party vendor by writing with any updates to equipment, equipment pricing, backorders of equipment.

**Deliverables:**

**Phase 1:**
Functional website hosted by SCPA, and an eMotorWerks store that allows sale of equipment. Operate site through no later than December 31, 2018.

**Phase 2:**
Functional APIs and ability to process & ship orders from an SCPA or third party vendor hosted online store.

**2. DEMAND RESPONSE**
Consultant shall work with SCPA and SCPA’s third-party vendor to implement a demand response program in the SCPA service territory using EVSEs purchased by SCPA customers. Within 1 month of contract signing, Consultant shall be able to fully respond to an event request called by SCPA or SCPA’s third-party vendor and be able provide reports to SCPA and SCPA’s third-party vendor detailing response of
customers during event. The reports can be in the form of an OpenADR report (preferred), UI graphical interface that is able to export data, Excel spreadsheet, or equivalent.

At the onset, data in the report shall include:

- Vehicle plug-in time and date
- Vehicle disconnection time and date
- Charging duration per session
- Charging Amount (kWh) per charging session
- kWh (5 or 15-minute intervals over charging period)

Within 6 months, data in the report shall also include:

- Charging start time
- Charging end time
- Average kW over charging period
- Customer indicated departure time, if available.

2. CUSTOMER TECHNICAL ASSISTANCE

Provide support to SCPA customers interested in installing JuiceNet-enabled EVSEs, particularly relating to equipment features and selection, electrician selection/hiring, and installation questions. Support requests may come directly from the customer or through either SCPA or SCPA’s third-party vendor.

Deliverables:
Non-Residential/Commercial: Phone calls, emails, and occasional meetings with SCPA nonresidential customers.

Residential: “self-service” materials to help residential customers such as FAQs, and short simple guides to charger installation.

3. SOCIAL MEDIA OUTREACH AND MARKETING, AND MESSAGING SUPPORT

At the request of SCPA, promote the electric vehicle charging station program on social media in coordination with SCPA’s third-party vendor, SCPA’s Director of Marketing, SCPA’s Director of Programs, or other SCPA Staff as assigned. Provide collateral development and updates for end customers, as requested by SCPA. Provide access to eMotorWerks media, logos, product images, marketing, and sales channels as needed. eMotorWerks must approve all use of eMotorWerks brand, company name and images
at least 3 business days ahead of usage. eMotorWerks shall not unreasonably withhold such approval.

Deliverables: Written materials, collateral development, and support related to charger products as directed by SCPA’s third-party vendor or SCPA’s Director of Marketing.

4. SMART CHARGE OUTREACH SUPPORT
As requested by SCPA’s Director of Programs or other SCPA Staff as assigned, provide outreach and training support as necessary to facilitate the sale of JuiceNet-enabled EVSEs.

Deliverables: Calls, emails, and occasional meetings with market participants.

5. GENERAL COORDINATION WITH SCPA
Participate in regular meetings and calls with SCPA’s Director of Programs, SCPA’s third-party vendor, and other staff as assigned, to coordinate work. Discuss and resolve customer complaints and provide reports on program progress. Participate in regular meetings and calls with vendors working with SCPA to develop, implement, and manage an SCPA webstore, as requested by SCPA’s Director of Programs, and other staff as assigned.

Deliverables: Meetings and calls as necessary. Provide written monthly statistics on numbers of SCPA customers participating, new sign-ups, customers leaving, customer complaints and issues, and other similar diagnostic data on the program.