AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, August 2, 2018 at 8:45 A.M.
50 Santa Rosa Avenue, Fifth Floor, Santa Rosa, California

I. CALL TO ORDER

II. CLOSED SESSION

1. The Board of Directors of the Sonoma Clean Power Authority will consider the following in closed session: Public Employee Performance Evaluation – Chief Executive Officer (Gov’t Code Section 54957); Public Employee Labor Negotiations – Chief Executive Officer Position. Authority negotiators: Vice-Chair, Mark Landman, Past Chair, Patrick Slayter, Director Melanie Bagby and General Counsel, Jessica Mullan (Govt. Code Section 54957.6)

III. BOARD OF DIRECTORS CONSENT CALENDAR

2. Approve July 12, 2018 minutes of the SCPA Board of Directors meeting

IV. BOARD OF DIRECTORS REGULAR CALENDAR

3. Adopt Resolution 18-01 of the Board of Directors of the SCPA Urging the United States Congress to Enact a Revenue-Neutral Carbon Fee and Dividend Program

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

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

6. Approve contract with EHDD for Architectural and Engineering services

7. Approve Commercial Terms for Lease of Energy Marketplace Space and Authorize the CEO to Negotiate, Execute and Administer Final Lease Agreement

8. Approve contract between SCP and the Sonoma County Water Agency for energy education programs

9. Review and provide feedback on the draft 2018 Integrated Resource Plan

V. BOARD MEMBER ANNOUNCEMENTS
VI. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

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

VII. 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, contact the Clerk of the Board at (707) 978-3467, as soon as possible to ensure arrangements for accommodation.
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
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<tr>
<td>CAC</td>
<td>Community Advisory Committee</td>
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<td>CAISO</td>
<td>California Independent Systems Operator</td>
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<td>CAM</td>
<td>Cost Allocation Mechanism</td>
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<td>CCA</td>
<td>Community Choice Aggregation</td>
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<td>CEC</td>
<td>California Energy Commission</td>
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<td>CleanStart</td>
<td>SCP’s default electric service</td>
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<td>CPUC</td>
<td>California Public Utility Commission</td>
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<td>DER</td>
<td>Distributed Energy Resource</td>
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<td>ERRA</td>
<td>Energy Resource Recovery Account</td>
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<td>EverGreen</td>
<td>SCP’s 100% renewable, 100% local energy service</td>
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<td>Geothermal</td>
<td>A locally-available, low-carbon baseload renewable resource</td>
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<td>GHG</td>
<td>Greenhouse gas</td>
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<td>GRC</td>
<td>General Rate Case</td>
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<td>IOU</td>
<td>Investor Owned Utility (e.g., PG&amp;E)</td>
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<td>IRP</td>
<td>Integrated Resource Plan</td>
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<td>JPA</td>
<td>Joint Powers Authority</td>
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<td>MW</td>
<td>Megawatt (Power = how fast energy is being used at one moment)</td>
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<td>MWh</td>
<td>Megawatt-hour (Energy = how much energy is used over time)</td>
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<td>NEM</td>
<td>Net Energy Metering</td>
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<tr>
<td>NetGreen</td>
<td>SCP’s net energy metering program which gives its customers financial credit for generating electricity.</td>
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<tr>
<td>PCIA</td>
<td>Power Charge Indifference Adjustment (This fee is intended to ensure that customers who switch to SCP pay for certain costs related to energy commitments made by PG&amp;E prior to their switch.)</td>
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<tr>
<td>ProFIT</td>
<td>SCP’s “Feed in Tariff” program for larger local renewable energy producers</td>
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<tr>
<td>PV</td>
<td>Photovoltaics for making electric energy from sunlight</td>
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<td>REC</td>
<td>Renewable Energy Credit – used to track all renewable energy for compliance in California.</td>
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<td>SCP</td>
<td>Sonoma Clean Power</td>
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<tr>
<td>TOU</td>
<td>Time of Use, used to refer to rates that differ by time of day and by season</td>
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Staff Report – Item 01

To: Sonoma Clean Power Authority Board of Directors

From: General Counsel, Jessica Mullan

Issue: Public Employee Performance Evaluation – Chief Executive Officer (Gov't Code Section 54957); Public Employee Labor Negotiations – Chief Executive Officer Position. Authority negotiators: Vice-Chair, Mark Landman, Past Chair, Patrick Slayter, Director Amy Harrington and General Counsel, Jessica Mullan (Govt. Code Section 54957.6)

Date: August 2, 2018

No written materials for this item.
MINUTES
BOARD OF DIRECTORS MEETING
THURSDAY, July 12, 2018
50 Santa Rosa Avenue, Fifth Floor, Santa Rosa, California

I. CALL TO ORDER

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

Present: Chair Hamburg, Directors Landman, Okrepkie, Bagby, Hopkins, Peters, Slayter and Belforte (for Ahanotu)

Staff Present: Chief Executive Officer Geof Syphers

II. BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve June 7, 2018 minutes of the SCPA Board of Directors meeting

  Public Comment: None

  Motion to approve the June 7, 2018 minutes of the SCPA Board of Directors as corrected by Director Bagby

  Second: Director Slayter

  Motion Approved 8-0-0

  Director Harrington arrived at the meeting

III. BOARD OF DIRECTORS REGULAR CALENDAR

2. Presentation on Carbon Fee and Dividend from Citizens Climate Lobby and provide direction as appropriate

  Bruce Hagen and Linda Padgett presented from the Citizens Climate Lobby providing history and goals for the organization.

  Director Hopkins stated a resolution was approved by the Sonoma County Board of Supervisors and thanked CAC Student Advisor for his involvement and initiative bringing this topic forward. Director Peters asked details on the organization and about the carbon tax concept. Bruce Hagen stated that a small staff plus many more volunteers are involved. He also responded that British Columbia is currently assessing a similar carbon
tax which is paid by the organization that extracts or imports the fossil fuels. Director Peters stated that job loss in the fuel industry and the fear of change will be the biggest challenge. Director Okrepkie thanked Kai Guthrie for his involvement.

Director Belforte asked if gas prices increase how are the negative effects to low income consumers addressed. Bruce Hagen explained the increase in costs would be gradual and the dividend paid out would help offset costs. Director Landman stated support towards initiative.

Public Comment: Kai Guthrie, stated strong support and that SCP and the CCL have similar values and goals and encourages SPC to support the initiative.

Chair Hamburg supported initiative as progressive idea that returns money back to the public and not used as a traditional tax. Staff directed to return to the Board with a resolution supporting the initiative.

3. Presentation of updated brand story and identity

CEO Syphers provided background on the evolution of SCP’s work and the reasons for updating the brand match, providing the example that SCP’s initial focus was much more narrowly on building renewable energy sources, and did not include electric vehicles or demand response. Over a year ago the process began with interviews of some Board Directors, Committee Members, Staff and Founders and Advocates involved in SCP’s formation. Chris Denny, representing The Engine is Red presented the process. CEO Syphers stated the timing for the lunch would coincide with the Drive EV program on August 1. Director of Public Affairs and Marketing, Kate Kelly, stated that the rollout would be released gradually over three campaigns, to a general market, the Drive EV program, and also through the Advanced Energy Rebuild Program. Director Harrington asked about the data showing the effectiveness of the brand identity and if it conflicts with the energy saving message we want to get out. CEO Syphers stated that the new brand allows for significant flexibility in the language we use, with Director Kelly adding that the three core words are building blocks to the brand, innovative, practical and inclusive. CEO Syphers talked about using those concepts to formulate messages that do not necessarily rely on those specific words.

Director Peters stated the need to use words that match the logo. Director Belforte stated the importance of engaging the public and appreciated the new brand. Director Landman appreciates the subtle but important changes. Director Hopkins stated she appreciates the images and concepts but expressed concern for the lifespan of the brand. Kate Kelly stated the brand is something we can grow with and refine, and not repeat the entire process every five years. Chair Hamburg asked if the directors would like to
return to discuss options. Director Okrepkie stated support for the logo and did not feel the need to return. Director Slayter stated the need to know more of the history of the process. Director Belforte stated that the clear message presented is something she would support. Director Peters supports the logo presented as one that could evolve and adapt to SCP’s needs and goals. CEO Syphers stated that the evolution of the brand is always open to improvement. Chair Hamburg agreed that the new logo is modern and a positive update. CEO Syphers encouraged the Board to allow staff to move forward with the brand update. Directors Landman and Slayter stated the need for more input in the future during the process on projects of this scope.

Public Comment: None

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

Director of Marketing and Public Affairs Kate Kelly reported on the fire relief donations approved by the Board of Directors. The $1M in donations have been distributed with a $2,800 remaining. The difference is a result of energy bill credits provided to non-profits that were less than expected.

CEO Syphers provided an update on programs, the building purchase and the response to the RFQ for design services. Eleven responses were received, and interviews held. A proposed contract will come before the Board in August.

New SCP Intern Clayton Hutcheson was introduced.

Director of Power Services Deb Emerson stated SCP has completed a power purchase agreement with S-Power for an 80 MW wind project in Northern California.

Public Comment: Mike Turgeon asked if AER could be extended to remodels other full rebuilds. CEO Syphers stated that would not be possible at this time due to funding constraints, but that it was a good idea to consider in the future.

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

SCP lobbyist Katherine Brandenburg provided an update on current legislation, including the budget passing, SB 237, working with Senator Dodd on concerns with SB 1088. CEO Syphers gave update on the CPUC en banc where SCP’s Deb Emerson spoke on reliability.

Director of Regulatory Affairs Neal Reardon gave an update on the PCIA process, CalCCA has meetings scheduled with commissioners to provide
final messaging on CCA concerns on PCIA before any final decisions are made.

Public Comment: None

6. **Approve the submittal of Exhibit A of SCP's Integrated Resource Plan (IRP) to the California Public Utilities Commission (CPUC)**

Compliance Analyst CB Hall presented the document and explained the background data. CEO Syphers explained SCP’s concerns with the format requested by the CPUC and that SCP will be preparing a separate, internal IRP that more accurately reflects the energy usage and goals of SCP.

The Community Advisory Committee reviewed Exhibit A of the compliance filing and agreed to recommend to the Board approval of the submittal of Exhibit A, noting that SCP is concerned about the formatting and accuracy of the data being reported. CEO Syphers offered language for a motion, “...to approve 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 Board and Committee in 2018."

Public Comment: None

Motion to approve 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 Board and Committee in 2018 by Director Bagby.

Second: Director Peters

Motion Passed: 9-0-0

7. **Approve incentives for EV Charger program**

Programs Manager Rachel Kuykendall presented a contract to continue the EV charger program and explained improvements to the program and changes to the contract.

Public Comment: Mike Turgeon: Asked about returning chargers. Rachel Kuykendall stated that eMotorWerks has 90-day limit for returns.

Ken Wells commended staff on starting an innovative program and making improvements.

Motion to approve incentives for EV Charger program from Director Landman.
Second: Director Bagby

Motion approved 9-0-0

8. **Appoint ad hoc committee of the Board to review the CEO’s performance**

CEO Syphers presented the previous process for CEO performance reviews due each summer. He stated the review of goals identified may be best handled by an ad hoc because of the volume of written reports involved, and that ad hoc would then make any recommendations to the Board in Closed Session. Directors Slayter, Bagby and Landman volunteered to serve on the ad hoc.

Chair Hamburg appointed Directors Bagby, Slayter and Landman as the ad hoc for review of the CEO for the current year.

IV. **BOARD MEMBER ANNOUNCEMENTS**

Director Peter stated August 5th is the Fort Bragg Coastal Trail Celebration

Director Hopkins stated August 2nd is the Sonoma City Party

Director Landman, July 14th, Cotati Kids Day

Director Okrepkie, July 14th Chili Cookoff in Windsor

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

Public Comment: None

VI. **ADJOURN**

Meeting adjourned at 11:25 AM by Chair Hamburg

Respectfully submitted,

Stephanie Reynolds
Director of Internal Operations
To: Sonoma Clean Power Authority Board of Directors  
From: Geof Syphers, CEO  
Issue: Adopt a Resolution Supporting the U.S. Carbon Fee and Dividend program  
Date: August 2, 2018

REQUESTED BOARD ACTION:

Adopt Resolution 18-01 of the Board of Directors of the SCPA Urging the United States Congress to Enact a Revenue-Neutral Carbon Fee and Dividend Program

BACKGROUND

After receiving a presentation on Carbon Fee and Dividend from the Citizens’ Climate Lobby at the July 12, 2018 Board meeting, the SCPA Board of Directors asked staff to return with a resolution in support of the program.

The Carbon Fee and Dividend is a proposal from a bipartisan group of lawmakers in Washington, D.C. to charge a fee on the extraction of oil, gas and coal, and then return the money collected to all U.S. citizens in equal amounts. According to the Climate Lobby, this program would serve to financially reward low-carbon choices for two reasons: (1) the fee would be passed on to consumers so that products using high amounts of fossil energy sources would be more expensive, and (2) the income would create a net benefit for those living a lower-GHG.

The Resolution developed by SCP for the Board’s consideration is based on Resolutions adopted by SCP member cities.
RESOLUTION NO. 2018 – 01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA CLEAN POWER AUTHORITY URGING THE UNITED STATES CONGRESS TO ENACT A REVENUE-NEUTRAL CARBON FEE AND DIVIDEND PROGRAM

WHEREAS, the Intergovernmental Panel on Climate Change has stated in its 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 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 Sonoma Clean Power Authority supports powerful new policies to meet greenhouse gas emission reduction goals in accordance with the 2015 Paris Climate Agreement despite the United States’ formal withdrawal from that accord; and

WHEREAS, presently the environmental, health, and social costs of carbon dioxide emissions are not included in prices paid for fossil fuels, but rather these externalized costs are borne directly and indirectly by all Americans and global citizens; and

WHEREAS, to begin to correct this market failure, the United States Congress can enact a national carbon fee on fossil fuels, based on the amount of carbon dioxide the fuel will emit when burned; and

WHEREAS, for efficient administration, this fee on fossil fuels can be assessed 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 fee 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 non-carbon-based energy resources; and

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

WHEREAS, REMI’s study, released in 2014, predicted that, after 10 years, a revenue-neutral carbon fee would lead to a decrease in carbon dioxide emissions by 33 percent below 1990 levels, 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 fees paid can maintain the competitiveness of United States businesses in global markets; and

WHEREAS, a national carbon fee 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 fee and already collects taxes from fossil fuel producers and importers; and

WHEREAS, a national carbon fee 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 fees, thereby reducing global carbon dioxide emissions;

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Sonoma Clean Power Authority that the Board hereby urges the United States Congress to enact, without delay, a revenue-neutral fee on carbon-based fossil fuels with stipulations that:

1. The fee should be collected once, as far upstream in the economy as practical, or at the port of entry into the United States; and

2. The fee 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

3. That all fee revenues should be returned to households to protect low and middle-income Americans from the impact of rising prices due to the fee; and

4. That the international competitiveness of United States businesses should be protected by using carbon-content-based border tariffs and fee refunds.

DULY ADOPTED this ____ day of _____, 2018

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<td>Mark Landman</td>
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<td>Dan Hamburg</td>
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<td>Lynda Hopkins</td>
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<td>Windsor</td>
<td>Bruce Okrepkie</td>
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*In alphabetical order by jurisdiction*

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Chair, Sonoma Clean Power Authority

ATTEST:

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Clerk of the Board,  
Sonoma Clean Power Authority

APPROVED AS TO FORM:

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General Counsel,  
Sonoma Clean Power Authority
Staff Report – Item 04

To: Sonoma Clean Power Authority Board of Directors
From: Stephanie Reynolds, Director of Internal Operations
Geof Syphers, CEO
Issue: Receive Operations Report and provide direction as appropriate
Date: August 2, 2018

TEAM MEMBER UPDATE

We have formally welcomed new General Counsel Jessica Mullan. Jessica started full-time on 7/23 and is already very busy! She does have the benefit of an extended orientation with Steve Shupe, who will be working on an as-needed basis.

CURRENT PARTICIPATION RATES

As of July 18, 2018, Sonoma Clean Power is serving 223,205 accounts, with a participation rate of 87%. Due to some accounts returning to SCP and new accounts being activated, participation rates in Cotati and Sebastopol have increased, and are now both over 90%!

PROGRAM UPDATES

ProFIT

On July 17 a ribbon-cutting ceremony and celebration was held at the Lavio Ranch just west of Petaluma. This solar array came online and began providing clean energy to SCP EverGreen customers in April of this year. SCP’s Board Chair Dan Hamburg, as well as Petaluma Mayor David Glass were both present to thank Coldwell Solar and the SCP staff involved in making this
project a success. SCP Board Alternate Dave King of Petaluma and representatives from Congressman Huffman’s office as well as the offices of Senators Dodd and McGuire also attended.

A second ProFIT project, called Stage Gulch, was completed in Eastern Petaluma at the same time. Four other ProFIT projects are in development in Sonoma and Mendocino Counties.

**Drive EV is Back for the Last Time**

Drive EV is on track to restart on August 1, 2018 and run for three months. SCP has entered into contracts with 6 dealers to provide discounts and apply SCP's incentive to purchases and leases. They include Ford, Chevrolet, Nissan, Kia, BMW and Chrysler. Promotional materials are being prepared and SCP staff will be attending many events as the program commences.

The Drive EV campaign is underway, and will be communicated (in both English and Spanish) via a variety of media including: TV, radio, print, digital, and outdoor ads, email, social media, direct mail, streaming radio and by engaging our influencers’ personal/trust networks to spread the word. Additionally, vehicles will be displayed at various community events such as the Sonoma County Fair, golf tournaments, farmers markets, etc.

Drive EV 2.0 program participants cited direct mail and word of mouth among the top ways they heard about the program, and those outlets will be key focuses in this year's campaign.

**Energy Education Program**

Educators are planning curriculum for the upcoming school year. A contract for continuation of the Energy Ed program in Sonoma and Mendocino Counties is addressed later on this meeting’s agenda.

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

The Do-It-Yourself Energy and Water Saving Toolkits continue to be popular with library patrons. This program has been so positively received that a possible extension of the program may be a smaller, but similar kit for use by kids and delivered via the Energy Education program.
**GridSavvy**

GridSavvy allows SCP to run automated demand response programs with customer-owned devices (like EV chargers) to provide grid reliability services. The program is in full testing mode now, and staff are excited about the recent progress on this innovative program.

**Advanced Energy Rebuild**

The program is up and running, and 103 applications have been received so far. Many more are reportedly in the process of being prepared. Educational forums for industry workers have been held with approximately 50 attendees at each session. Two more sessions are scheduled in August. The first for Architects and CEAs on August 13 and a webinar introducing the program for homeowners on August 14.

**Lead Locally (CEC Grant)**

We have received the signed CEC grant! The CEC has scheduled a grant kick-off meeting with SCP staff on July 30th. SCP staff have reviewed 12 potential Energy Marketplace locations to lease and have chosen the best option to present to the Board as Item #7.

**BRAND REFRESH**

Sonoma Clean Power’s updated brand identity will debut August 1st, primarily through the website and Drive EV marketing materials. The Marketing Department continues to fine-tune messaging. The complete transition from SCP’s current brand identity is expected to be completed by early 2019. SCP is working closely with a local Hispanic advertising agency to assist with the strategy and implementation of SCP marketing and communication materials in Spanish, as well as identifying key community events to support, in the pursuit of more effectively reaching this important demographic.

This fall, staff plan to embark on a process to update SCP’s Mission Statement. We would like to work with an ad hoc committee of the Board and/or CAC to gain input and direction on our updated Mission Statement.
**BAAQMD DIESEL-FREE CAMPAIGN**

The Bay Area Air Quality Management District is seeking commitments from mayors in the Bay Area to collectively reduce diesel emissions as part of the upcoming [Governor’s Global Climate Action Summit](#) in San Francisco Sept. 12-14. A pledge to support the [Diesel Free by ’33](#) is requested and focuses on eliminating both greenhouse gas emissions and particulate emissions that affect health and air quality.

Director Slayter asked for SCP to consider signing onto this effort, and staff believe it is generally consistent with the goals of SCP, though goes beyond SCP’s adopted Policy Platform because of its considerable focus on particulate emissions and air quality and introduces a new focus on freight trucks that SCP has not previously had. As a result, staff encourage Directors to bring this topic to their local jurisdictions for consideration and also for input on whether to bring a resolution in support of Diesel-Free by ’33 to the next SCPA Board meeting.

By signing the non-binding [Statement of Purpose](#), you are committing to “adopt innovative solutions to eliminate diesel emissions and black carbon from our communities” and be part of our collective leadership to prioritize the health of our communities and planet.

**MONTHLY COMPILED FINANCIAL STATEMENTS**

The monthly financial statements for June 2018 have been held open to gather data to close out the fiscal year. An end-of-year report will be presented at the next Board meeting.

**REMEMINDER:** There is no September BOD meeting scheduled. The next Board of Directors meeting is scheduled for October 4, 2018 at 8:45 A.M.
LEGISLATIVE REPORT

The fire liability conference committee held its first hearing July 25, 2018. Senators Dodd and Holden co-chair the committee. In addition to Dodd, Assemblymember Wood is the other member representing SCP’s territory.

There was no clear consensus in the first meeting, but many topics were raised including inverse condemnation, securitizing debt, making fire survivors whole, ensuring reasonable ratepayer costs while “hardening” the grid, forest health, insurance availability, and the cost to the state to fight fires.

Michael Wara, a research fellow from the Stanford Woods Institute for the Environment, split the question of wildfire liability into two segments, prospective and retroactive. He took the stance that addressing existing liabilities is a top priority and that there is time to address the issue of inverse condemnation going forward. Wara also emphasized the need to reform property insurance to allow insurers to account for climate change when assessing risk, to improve vegetation management by focusing on the most fire prone areas with the biggest risk to populations, and limiting land use expansion into the urban/wildland interface.

The committee also heard from the CPUC, CalFire, and SDG&E on related issues, including what could be done proactively to harden the grid and make it more resilient. While the discussion was lengthy, most of the issues were not particularly relevant to SCP. There was also a brief presentation from the Legislative Analyst's Office on state costs to fight fires. Public comment was also extensive. Ultimately, the Conference Committee will continue to
meet and discuss the issue. Related bills include AB 33, SB 901 and SB 1088. Additional bills could still emerge.

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<td><strong>AB 813</strong></td>
<td>Would prohibit a California electrical transmission facility owner, a retail seller of electricity, or a local publicly owned electric utility from joining a multistate regional transmission system organization, as defined, unless the bylaws or other organizational documents that govern the organization, and the organization’s operations, meet Federal Energy Regulatory Commission requirements and other specified requirements. The bill would require a California transmission owner, retail seller, or local publicly owned electric utility, before joining a multistate regional transmission system organization, to submit the bylaws and other organizational documents that govern the multistate regional transmission system organization to the State Energy Resources Conservation and Development Commission for review.</td>
<td>Support as Amended on June 12 (Letter Sent)</td>
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<tr>
<td><strong>AB 893</strong></td>
<td>This bill would require each retail seller of electricity and each local publicly owned electric utility to procure a proportionate share, as determined by the PUC, in consultation with the State Energy Resources Conservation and Development Commission, of electricity products from a statewide total of 3,000 megawatts of geothermal generation capacity, as specified. The bill would require, no later than December 31, 2020 each retail seller to file with the PUC a plan for complying with this procurement requirement, as specified. This bill contains other provisions.</td>
<td>Oppose (Letter Sent)</td>
</tr>
<tr>
<td><strong>AB 2127</strong></td>
<td>Would require the Energy Commission, working with the State Air Resources Board and the PUC, to prepare and biennially update a statewide assessment of the electric vehicle charging infrastructure needed to support the levels of electric vehicle adoption required for the state to meet its goals of putting at least 5 million zero-emission vehicles on California roads by 2030 and of reducing emissions of greenhouse gases to 40% below 1990 levels by 2030. The bill would require the Energy Commission to regularly seek data and input from stakeholders relating to electric vehicle charging infrastructure.</td>
<td>Support</td>
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<td>Bill</td>
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<td>SB 100 (De León D) Amended: 6/27/2018</td>
<td>California Renewables Portfolio Standard Program: emissions of greenhouse gases. Location: Assembly U. &amp; E. The Legislature has found and declared that its intent in implementing the California Renewables Portfolio Standard Program requires the PUC is to attain, among other targets for sale of eligible renewable resources, the target of 50% of total retail sales of electricity by December 31, 2030. This bill would revise the above-described legislative findings and declarations to state that the goal of the program is to achieve that 50% renewable resources target by December 31, 2026, and to achieve a 60% target by December 31, 2030.</td>
<td>Support</td>
</tr>
<tr>
<td>SB 237 (Hertzberg D) Amended: 6/13/2018</td>
<td>Electricity: direct transactions. Location: Assembly Appropriations 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>Monitor</td>
</tr>
<tr>
<td>SB 901 (Dodd D) Amended: 7/2/2018</td>
<td>Electrical corporations: local publicly owned electric utilities: electrical cooperatives: wildfire mitigation plans and measures. Location: Senate Conference Committee Would require a wildfire mitigation plan prepared by an electrical corporation, and wildfire mitigation measures prepared by a local publicly owned electric utility or electrical cooperative, to include a description of the factors the preparing entity uses to determine when it may be necessary to de-energize its electrical lines and deactivate its reclosers, including meteorological and fire threat conditions, and an assessment of risks to the health and welfare of customers who may lose power.</td>
<td>Closely Monitor Note strong opposition from TURN, Sierra Club, NRDC and others.</td>
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<td>Bill</td>
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| **SB 1014**  (Skinner D)  
Amended: 7/5/2018  
California Clean Miles Standard and Incentive Program: zero-emission vehicles.  
Location: Assembly Appropriations | 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. This bill contains other related provisions. | Support (Letter Sent) |
| **SB 1088**  (Dodd D)  
Amended: 7/3/2018  
Safety, reliability, and resiliency planning: general rate case cycle.  
Location: Assembly Rules | 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. | Oppose Unless Amended (Letter Sent) |
| **SB 1136**  (Hertzberg D)  
Amended: 6/11/2018  
Electricity: load-serving entities: resource adequacy requirements.  
Location: Assembly Appropriations | 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 non-generating and hybrid capacity and retention of existing non-generating and hybrid capacity that is economic and needed. | Closely Monitor |
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<th>Bill</th>
<th>Issue</th>
<th>Position</th>
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<tr>
<td>SB 1339</td>
<td>Would require the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission and the Independent System Operator, to take specified actions by January 1, 2020, to facilitate the commercialization of microgrids for distribution customers of electrical corporations. The bill would prohibit the PUC from permitting a microgrid that uses diesel backup or gas-combustion generation. The bill would require a local publicly owned electric utility that serves more than 700,000 customers to develop a process for interconnection of customer-supported microgrids and to make this process available by January 1, 2020. The bill would prohibit these local publicly owned electric utilities from permitting a microgrid that uses diesel backup or gas-combustion generation.</td>
<td>Back Up CalCCA’s Efforts</td>
</tr>
<tr>
<td>SB 1347</td>
<td>Would require the Public Utilities Commission, in addition to specified requirements, on or before January 1, 2020, to consider procurement strategies for the installation of a statewide total of up to 2,000 megawatts of energy storage systems. As part of the procurement strategies considered by the commission, the bill would require the commission to consider appropriate targets, if any, for electrical corporations, community choice aggregators, electric service providers, and certain electrical cooperatives (collectively, load-serving entities) to procure viable and cost-effective energy storage systems, to be achieved by December 31, 2030.</td>
<td>Back Up CalCCA’s Efforts</td>
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**REGULATORY REPORT**

**Power Charge Indifference Adjustment (PCIA)**

Final oral arguments will be held on August 2nd at the CPUC.

During the July 26th Commission meeting, Commissioner Peterman indicated that a Proposed Decision on the PCIA should be issued sometime next week. Once this Proposed Decision is released, parties will have an opportunity to provide comments. Changes to the PCIA will likely go into effect beginning January of 2019.
PG&E 2019 Forecast Energy Resource Recovery Account (ERRA)

Sonoma Clean Power, joined by other Northern California CCAs, submitted a protest to PG&E’s 2019 ERRA Application. This is the process wherein electric rates, including the PCIA, are set for the following year. SCP continues to advocate that prudent management of contracts must be evaluated in this proceeding. The IOUs are required by the CPUC’s Standards of Procurement and Policy Manual to manage their portfolio to the benefit of all ratepayers. This manual explicitly states that, in performing this duty, IOUs may need to dispose of unneeded resources and/or purchase short-term resources instead.

Sonoma Clean Power and other CCAs have requested that PG&E provide all the underlying workpapers and testimony supporting these rate changes. As some of this information is confidential, the CCA parties will use an external consultant under NDA – Richard McCann – to ensure that PG&E’s confidential calculations were done accurately and only include unavoidable costs.

In mid-August, the assigned Administrative Law Judge will establish the scope of the proceeding. In November, PG&E will release an update to their initial forecast with proposed rate changes for next year.

Resource Adequacy (RA)

Parties presented various proposals in the Resource Adequacy proceeding during a Commission workshop on July 19th. The central question is how the RA program should be modified to avoid the need for costly “backstop” procurement by the California ISO in cases when individual load serving entities are unable to buy their required share of Resource Adequacy.

The CPUC’s Energy Division recommended that procurement for local RA be performed by a central buyer under their purview – likely an IOU or special purpose entity within an IOU. CalCCA proposed that instead of sole reliance on central procurement, the Commission implement RA requirements that extend out for 3 years using a normal market process for most of the needs and very limited use of central procurement. The intent is to provide certainty to generators and more advanced notice of deficiencies to regulators.

A pre-hearing conference will be held on August 1st.
To: Sonoma Clean Power Authority Board of Directors

From: Cordel Stillman, Director of Programs
         Geof Syphers, CEO

Issue: Review and recommend contract for Architect for Building Renovation

Date: August 2, 2018

Requested Committee Action

Approve contract with EHDD to perform design and other services for the renovation of 431 E Street.

Background

Following a competitive selection process, SCP has selected EHDD, an architectural firm based in San Francisco to perform design and other services for the renovation of the building SCP has purchased for its new headquarters.

The selection process began with a Request for Qualifications (RFQ) that was sent to a large number of architectural firms as well as advertised on the SCP website. 11 teams responded to the RFQ. After an initial screening of Statements of Qualification, three firms were selected to interview with SCP staff. Interviews were held the week of June 25th and EHDD was selected based on their broad experience in retrofitting existing buildings to a high level of energy efficiency, their experience with local government contracting and their project management experience.
The contract covers the initial phase of architectural design. EHDD has provided SCP with a fixed fee that will take the project through the end of schematic design. At the end of the schematic design phase, both SCP and EHDD will establish a total project budget that will allow design fees to be set for completing the project. At that time, staff will bring a contract forward for the remainder of design and other support activities. Schematic design is expected to take about three months to complete.

**Community Advisory Committee Recommendation**

The Committee reviewed the proposed contract and discussed the firm’s qualifications, contract price, subcontractors, the use of local firms, and the proposed process to develop a total project budget at the end of Schematic Design. After the discussion, the Committee unanimously recommended the contract to the Board.
PROFESSIONAL SERVICES AGREEMENT FOR

THE SONOMA CLEAN POWER AUTHORITY

With

ESHERICK HOMSEY DODGE AND DAVIS,
ARCHITECTS, A PROFESSIONAL CORPORATION

for the

SONOMA CLEAN POWER AUTHORITY HEADQUARTERS

NOTE TO DRAFTERS (5/25/2018):
THIS CONTRACT FORM IS TO BE USED FOR PROFESSIONAL SERVICES
PROVIDED BY THE FOLLOWING ENTITIES:
ARCHITECTURAL,
ENGINEERING,
LAND SURVEYING,
ENVIRONMENTAL,
CONSTRUCTION MANAGEMENT

APPENDICES INCLUDED:

APPENDIX A (Scope of Services)
APPENDIX B (Compensation Schedule), including:
   EXHIBIT B1 (Fixed Fees for Base Services)
   EXHIBIT B2 (Hourly Rates)
APPENDIX C (Insurance)
SONOMA CLEAN POWER AUTHORITY

AGREEMENT BETWEEN THE SONOMA CLEAN POWER AUTHORITY AND ESHERICK HOMSEY DODGE AND DAVIS, ARCHITECTS, A PROFESSIONAL CORPORATION

This Agreement is made this ______ day of ______________, 2018 (“Effective Date”), in the City of Santa Rosa, State of California, by and between Esherick Homsey Dodge and Davis, Architects, A Professional Corporation, located at 500 Treat Avenue, Suite 201, San Francisco, California 94110, a Professional Corporation hereinafter referred to as “Consultant” and the Sonoma Clean Power Authority located at 50 Santa Rosa Avenue, 5th Floor, Santa Rosa, California 95404, a California Joint Powers Authority, hereinafter referred to as “SCPA”. SCPA and Consultant may be individually referred to as a “Party” or collectively as “Parties”.

AGREEMENT

1 Definitions

Where any word or phrase defined below, or a pronoun used in place thereof, is used in any part of this Agreement, it shall have the meaning herein set forth.

Agreement This Agreement together with all attachments and appendices and other documents incorporated herein by reference, including, but not limited to, Appendices “A,” “B,” (including Exhibits “B1” and “B2”) and “C,” attached hereto.

Consultant Esherick Homsey Dodge and Davis, Architects, a Professional Corporation

SCPA Sonoma Clean Power Authority.

Project SCPA’s Headquarters project as further described in Appendix “A,” Scope of Services.

Services All work, labor, materials, and services required in order to perform under the terms and conditions of this Agreement, including architectural, engineering, coordination, administrative services, and other related services as set forth in Appendix “A”, “Scope of Services”.

Subconsultants Consultant’s consultants, and subconsultants, including:

- Point Energy Innovations (Mechanical, Electrical, Plumbing)
- Reed Gilliland (Landscape Architect)
- ZFA (Structural Engineering)
- RGD Acoustics (AV and Acoustical Consulting – narrative)
2 Term of Agreement

Unless terminated earlier in accordance with sections 13 and 14 of this Agreement, the term of this Agreement (“Term”) shall begin on the Effective Date and shall end when all work comprising the Services is deemed performed under this Agreement or no later than six (6) months from the Effective Date, whichever is shorter.

3 Services Consultant Agrees to Perform

3.1 Scope of Services. Consultant shall perform all Services described in Appendix “A,” “Scope of Services,” attached hereto and incorporated by reference as though fully set forth herein.

3.2 Milestone Schedule. Consultant shall complete all Services required by this Agreement within the times specified in the Milestone Schedule in Appendix “A”. Consultant agrees that the Milestone Schedule includes reasonable allowances for completion of the Services, including all time required for SCPA’s review and approval of deliverables and for approval of the deliverables by all authorities having jurisdiction over the Project and the Services. Consultant shall achieve its scheduled milestones (as shown on the Milestone Schedule).

3.3 Progress Under the Agreement. Should the progress of the Services under this Agreement at any time fall behind schedule for any reason other than excusable delays, Consultant shall apply such additional personnel, subcontractors and any other resources as necessary to bring progress of the Services under this Agreement back on schedule and consistent with the standard of professional skill and care required by this Agreement.

4 Compensation

4.3 SCPA shall pay Consultant compensation in accordance with the terms established in Appendix “B,” Compensation Schedule.

4.4 Monthly Payment. SCPA shall pay Consultant in monthly payments on or before the last day of each month for Services properly invoiced by the Consultant which have been properly performed as of the last day of the immediately preceding month and are due under Appendix “B.”

4.5 Deliverables Required. In conformance with the requirements in Appendix “B” and paragraph 4.4, SCPA shall not incur any charges under this Agreement, nor shall any payments become due to Consultant for any payment period on the Project, unless SCPA has received the deliverables required under the terms of Appendix “A” for the monthly payment period, if any deliverables are required and SCPA reasonably accepts such deliverables as meeting the requirements of this Agreement. In cases where Consultant...
has partially completed one or more deliverables due during a monthly payment period, and if Consultant demonstrates diligent progress thereon, then SCPA shall make a partial progress payment to Consultant in conformance with the requirements in Appendix “B” and paragraph 4.4.

4.6 **Questioned Amounts.** SCPA will not withhold an entire payment if a questioned amount is involved but will issue payment in the amount of the total invoice less any questioned amount(s). SCPA will make payment for questioned amount(s) upon SCPA’s receipt of any requested documentation verifying the claimed amount(s) in a form acceptable to SCPA and SCPA’s determination that the amount is due under the terms of this Agreement.

4.7 **Final Payment.** Final payment will be made by SCPA to Consultant when all Services required under this Agreement have been completed to the reasonable satisfaction of SCPA including, without limitation, Consultant’s transmittal of all deliverables to SCPA required by Appendix “A.”

4.8 **Invoices.** Invoices furnished by Consultant under this Agreement must be in a form acceptable to SCPA, including being compliant with all applicable requirements set forth in Appendix “B”. All amounts paid by SCPA to Consultant shall be subject to audit by SCPA. Payment shall be made by SCPA to Consultant at the address stated hereinabove.

4.9 **Set Off for Errors and Omissions.** Consultant is solely responsible for costs, including increases in the cost of work or Services arising from or caused by Consultant’s errors and omissions, breaches of this Agreement, breach of the standard of care, delays or other acts or omissions which caused SCPA monetary damages, including, but not limited to, the costs of corrections of such errors and omissions, any change order markup costs or costs arising from delay caused by the errors and omissions or unreasonably delay in correcting the errors and omissions. Upon 10 days written notice to Consultant, SCPA may set off such costs against payments due Consultant under this Agreement. Upon receipt of SCPA’s notice to set off against payments Consultant may request, within five (5) business days of the notice to set off from SCPA, a meeting between SCPA and Consultant pursuant to section 24 of this Agreement. Where such a meeting is requested by Consultant, the Parties agree to schedule such meeting within ten (10) business days of the date of Consultant’s request for such a meeting, unless the time period is extended by mutual agreement of the Parties. SCPA and Consultant agree to meet and confer in good faith to discuss the set off.

5 **Maximum Costs, Change in Services**

5.1 **Not-to-Exceed Amount.** SCPA’s obligation hereunder shall not at any time exceed the amount set forth as a Not-to-Exceed Amount (“NTE”) set forth in Exhibit “B”. This dollar amount is not a guarantee that SCPA will pay that full amount to Consultant, but is merely a limit of potential SCPA expenditures under the Agreement.

5.2 **Authority to Request Services.** Except as may be provided by applicable law governing emergency conditions, SCPA has not authorized its employees,
officers and agents to request Consultant to perform Services or to provide materials, equipment and supplies that would result in Consultant performing Services or providing materials, equipment and supplies that exceed the scope of the Services, materials, equipment and supplies agreed upon in the Agreement unless the SCPA amends the Agreement in writing and approves the amendment as required by law to authorize the additional Services, materials, equipment or supplies.

5.3 **No Compensation for Services beyond the Scope.** SCPA shall not reimburse Consultant for Services, materials, equipment or supplies provided by Consultant beyond the scope of the Services, materials, equipment, and supplies agreed upon in the Agreement. Failure of Consultant to secure written authorization for extra or changed work shall constitute a waiver of any and all right to adjustment of compensation amounts or time to perform Services due to such unauthorized work. Consultant further expressly waives any and all right or remedy by way of restitution and quantum meruit for any and all extra work performed without such express and prior written authorization from SCPA.

5.4 **Requests for Changes in Services.**

5.4.1 Consultant, in any price proposals for changes in the Services that increase the Agreement amount, or for any additional Services, shall break out and list its costs and use percentage markups. Consultant shall require its Subconsultants (if any) to do the same, and the Subconsultants’ price proposals shall accompany Consultant’s price proposals.

5.4.2 Consultant and its Subconsultants shall, upon request by SCPA, permit inspection of all original unaltered Agreement bid estimates, Subcontract Agreements, purchase orders relating to any change, and documents substantiating all costs associated with all cost proposals.

5.4.3 Changes in the Services and/or extensions of the Agreement time granted in SCPA’s sole discretion thereof shall not in any way otherwise release Consultant’s representations and agreements pursuant to this Agreement.

6 **Qualified Personnel**

6.1 **Project Manager.** For purposes of this Agreement, except for notices specified under Section 17 below, SCPA shall direct all communications to Consultant through Brad Jacobson, Associate Principal, EHDD, 500 Treat Avenue, Suite 201, San Francisco, CA 94110, bjacobson@ehdd.com, (415) 321-6330; and Consultant shall direct all communications to SCPA through SCPA’s Project Manager, Cordell Stillman, Director of Programs, 50 Santa Rosa Avenue, Santa Rosa CA 95404, cstillman@sonomacleanpower.org, (707) 890-8486.

6.2 **Assigned Personnel.**

6.2.1 Services under this Agreement shall be performed only by competent
personnel under the supervision of and/or in the employment of Consultant. In the event that at any time, SCPA in its sole discretion, desires the removal of any person or persons assigned by Consultant to perform Services under this Agreement, Consultant shall remove such person or person(s) immediately upon receiving written notice from SCPA, but all personnel, including those assigned at SCPA’s request, shall be supervised by Consultant.

6.2.2 Consultant agrees that all professional personnel assigned to the Project will be listed in its proposal, Exhibit 1 to Appendix “A” and/or identified as part of the Consultant’s Team set forth in Appendix “A” attached hereto and by this reference incorporates herein, and that the listed personnel will be considered key personnel (“Key Personnel”) and continue their assignments on the Project during the entire term of this Agreement.

6.2.3 Consultant recognizes that such Key Personnel were a material inducement to SCPA to enter into the Agreement, and without whose services SCPA would not have entered into the Agreement. Consultant shall not remove, replace, substitute or otherwise change any key personnel without the prior written consent of SCPA. In the event that any of Consultant’s personnel assigned to perform services under this Agreement become unavailable due to resignation, sickness or other factors outside of Consultant’s control, Consultant shall be responsible for timely provision of adequately qualified replacements. Any costs associated with the reassignment of any personnel, including Key Personnel shall be borne exclusively by Consultant.

6.2.4 Consultant agrees that should the above Key Personnel not continue their assignments on the Project during the entire term of this Agreement; then Consultant shall not charge SCPA for the cost of training or “bringing up to speed” replacement personnel. SCPA may condition its reasonable approval of substitution personnel upon a reasonable transition period wherein new personnel will learn the Project and get up to speed at Consultant’s cost.

7. Representations and Warranties; Covenants

7.1 Review of Appendices. Consultant represents that it has reviewed Appendix “A”, “Scope of Services”, and that in its professional judgment the Services to be performed under this Agreement can be performed for a fee within the maximum amount set forth in the Compensation Schedule established in Appendix “B”, Compensation Schedule, and within the times specified in the Milestone Schedule set forth in Appendix “A”.

7.2 Licensing/Permitting. Consultant represents that it is qualified to perform the Services and that it possesses the necessary licenses and/or permits required to perform the Services or will obtain such licenses and/or permits prior to the time such licenses and/or permits are required. Consultant also represents that it has requisite knowledge of all applicable building codes, laws, regulations,
and ordinances.

7.3 **Qualifications; Performance of Work and Warranty.**

7.3.1 Consultant represents that it and its subconsultants have requisite expertise and experience in architectural or engineering services similar to those intended for the Project.

7.3.2 Consultant agrees that the Services shall be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances at the same time and in the same or similar locality ("Standard of Care"); provided, however, that the Standard of Care shall be consistent with the standard of care under California law applicable to those who specialize in providing such services for projects of the type, scope and complexity of this specific Project (including its contracting mode and energy efficiency and sustainability requirements).

7.3.3 Consultant agrees that for a period of one year after the completion of the Services or at the final acceptance of the construction resulting from the Services, whichever is later, it will re-perform or replace any part or all of the Services reasonably deemed by SCPA to be defective and/or not meeting the above Standard of Care.

Upon receipt of SCPA’s written notice deeming the Consultant’s Services to be defective and/or not meeting above Standard of Care, the Parties agree to meet pursuant to section 24 of this Agreement. The Parties agree to schedule such a meeting within ten (10) business days of the date of the SCPA notice, unless the time period is extended by mutual agreement of the Parties. SCPA and Consultant agree to meet and confer in good faith to discuss SCPA’s demand to re-perform or replace any part or all of the Services.

7.4 **No Suspension or Debarment.** Consultant represents that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency. Consultant also represents that it is not suspended or debarred from receiving federal funds as listed in the List of Parties Excluded from Federal Procurement or Non-procurement Programs issued by the General Services Administration. If the Consultant becomes debarred, consultant has the obligation to inform SCPA.

7.5 **Payment Not a Waiver.** The granting of any progress payment by SCPA, or the receipt thereof by Consultant, or any inspection, review, approval or oral statement by any representative of SCPA or any other governmental entity, shall in no way waive or limit the obligations in this Section 7 or lessen the liability of Consultant to re-perform or replace defective Services or Services not meeting the Standard of Care to the extent required by Section 7.3 above, including but not limited to cases where the defective or below standard Services may not have been apparent or detected at the time of such payment,
8 Indemnification and General Liability

8.1 To the fullest extent permitted by law (including, without limitation, California Civil Code Section 2782.8) Consultant agrees to indemnify hold harmless and defend SCPA, its officers, departments, officials, agents, representatives, and employees (collectively “Indemnitees”), from and against any and all claims, damages, injuries (including, injury to or death of an employee of Consultant or its Subconsultants), expenses, disabilities or liabilities of every kind, nature and description (including, without limitation, incidental special and consequential damages, court costs, attorneys’ fees, litigation expenses and fees of expert consultants or expert witnesses incurred in connection therewith and costs of investigation) that may arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant; provided, however, that the in no event shall the cost to defend charged to Consultant exceed Consultant’s proportionate percentage of fault. Notwithstanding the previous sentence, in the event one or more defendants is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, Consultant shall meet and confer with other parties regarding unpaid defense costs. Consultant’s obligations under this Section 8 apply whether or not there is concurrent negligence on SCPA’s part, but to the extent required by law, excluding liability due to SCPA’s conduct, including SCPA’s sole negligence, active negligence or willful misconduct.

The Parties also acknowledge that this Agreement is subject to California Civil Code 2782.8 as amended and effective January 1, 2018.

8.2 Consultant shall place in its subconsulting and/or subcontractor agreements and cause its subconsultants and/or subcontractors to agree to indemnities and insurance obligations in favor of SCPA and other Indemnitees in the form and substance of those contained in this Agreement. Consultant shall require all subconsultants and/or subcontractors to comply with all indemnification and insurance requirements of this Agreement, including, without limitation, Exhibit “C”. Consultant shall verify subconsultant’s compliance.

9 Liability of SCPA

9.1 Liability Limited to Payment of Compensation. Except as provided in Appendix “A,” Services to be provided by Consultant, and Appendix “C,” Insurance, SCPA’s obligations under this Agreement shall be limited to the payment of the compensation provided for in Sections 3, 4 and 5 of this Agreement.

9.2 Damages. Notwithstanding any other provision of this Agreement, in no event shall SCPA be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement or the Services performed in connection with this Agreement to the extent not arising from SCPA’s sole negligence, active negligence or willful misconduct.
9.3 **Consultant’s Use of Equipment.** SCPA shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Consultant, or by any of its employees, even though such equipment be furnished, rented or loaned to Consultant by SCPA to the extent not caused by the sole negligence, active negligence or willful misconduct of SCPA. The acceptance or use of such equipment by Consultant or any of its employees shall be construed to mean that Consultant accepts full responsibility for and agrees to exonerate, indemnify, defend and save harmless SCPA from and against any and all claims for any damage or injury of any type, including attorneys’ fees, arising from the use, misuse or failure of such equipment, whether such damage be to the Consultant, its employees, SCPA employees or third parties, or to property belonging to any of the above.

9.4 **No Waiver.** Nothing in this Agreement shall constitute a waiver or limitation of any right or remedy, whether in equity or at law, which SCPA may have under this Agreement or any applicable law. All rights and remedies of SCPA, whether under this Agreement or other applicable law, shall be cumulative.

10 **Independent Contractor; Payment of Taxes and Other Expenses**

10.1 **Independent Contractor Status.** Consultant shall be deemed at all times to be an independent contractor and shall be wholly responsible for the manner in which Consultant performs the Services required of Consultant by the terms of this Agreement. Consultant shall be liable for the acts and omissions of its subconsultants, its employees, and its agents.

10.2 **No Agency, Employment or Joint Venture.** Nothing contained herein shall be construed as creating employment, agency or joint venture relationship between SCPA and Consultant. Consultant acknowledges that neither it nor any of its employees or agents shall, for any purpose whatsoever, be deemed to be SCPA employees, and shall not be entitled to receive any benefits conferred on SCPA employees, including without limitation workers’ compensation, pension, health, insurance or other benefits. In the event SCPA exercises its right to terminate this Agreement pursuant to sections 13 or 14, Consultant expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees.

10.3 **Taxes.** Consultant shall be solely responsible for payment of any required taxes, including California sales and use taxes, City of Santa Rosa and/or County of Sonoma business taxes and United States income tax withholding and social security taxes, levied upon this Agreement, the transaction, or the Services delivered pursuant hereto. Consultant agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and 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 the State of California as a consequence of Consultant's failure to pay, when due, all such taxes and obligations. In case SCPA is audited for compliance regarding any withholding or other applicable taxes, Consultant agrees to furnish SCPA with proof of payment of taxes on these earnings.
10.4 **Direction to Consultant.** Consultant shall be available as much as reasonably possible to SCPA staff during the SCPA’s normal working hours or as otherwise requested by SCPA. Terms of this Agreement referring to direction from SCPA shall be construed as providing for direction as to policy and the result of Consultant’s Services only and not as to the means by which such a result is obtained.

11 **Insurance.** Prior to execution of this Contract, Consultant shall furnish to SCPA satisfactory proof that it maintains the insurance required by this Agreement as set forth in Appendix C “Insurance,” which is attached and made a part of this Agreement. In the event Consultant fails to maintain any required insurance, SCPA may (but is not obligated to) purchase such insurance and deduct or retain premium amounts from any sums due Consultant under this Agreement (or, at SCPA’s discretion, Consultant shall promptly reimburse SCPA for such expense.)

12 **Suspension of Services**

12.1 SCPA may, without cause, order Consultant to suspend, delay or interrupt (“Suspend” or “Suspension”) Services pursuant to this Agreement, in whole or in part, for such periods of time as SCPA may determine in its sole discretion. SCPA shall deliver to Consultant written notice of the extent of the Suspension at least seven (7) calendar days before the commencement thereof. Where SCPA Suspends Services, SCPA agrees to coordinate with Consultant to adjust the Milestones Schedule and other dates as reasonably needed.

12.2 Notwithstanding anything to the contrary contained in this Section, no compensation shall be made to the extent that a Suspension is, was or would have been for a cause for which Consultant is responsible.

13 **Demand for Assurance.** If at any time SCPA believes Consultant may not be adequately performing its obligations under this Agreement, that Consultant may fail to complete the Services as required by this Agreement, has provided written notice of observed deficiencies in Consultant’s performance, or has other reasonable grounds for insecurity arise with respect to Consultant’s performance, SCPA may request from Consultant prompt written assurances of performance and a written plan to correct the observed deficiencies in Consultant’s performance. Consultant shall provide such written assurances and written plan within ten (10) calendar days of receipt of written request. Consultant acknowledges and agrees that any failure to provide written assurances and a written plan to correct observed deficiencies, in the required time, is a material breach under this Agreement. SCPA’s acceptance of any improper delivery, service, or payment does not prejudice SCPA’s right to demand adequate assurance of future performance, and does not limit SCPA’s rights to terminate the Agreement pursuant to section 14.

14 **Termination of Agreement**

14.1 **For Cause.** Consultant shall be in default of this Agreement (“Default”) and SCPA may, in addition to any other legal or equitable remedies available to SCPA, terminate Consultant’s right to proceed under the Agreement, for cause:
14.1.1 Should Consultant make an assignment for the benefit of creditors, admit in writing its inability to pay its debts as they become due, file a voluntary petition for bankruptcy, be adjudged a bankrupt or insolvent, file a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute, law, or regulation, file any answer admitting or not contesting the material allegations of a petition filed against Consultant in any such proceeding, or seek, consent to, or acquiesce in, the appointment of any trustee, receiver, custodian or liquidator of Consultant or of all or any substantial part of the properties of Consultant, or if Consultant, its directors or shareholders, take action to dissolve or liquidate Consultant; or

14.1.2 Should Consultant commit a material breach of this Agreement and not cure such breach within ten (10) calendar days of the date of written notice from SCPA to Consultant demanding such cure; or, if such failure is curable but not curable within such ten (10) day period, within such period of time as is reasonably necessary to accomplish such cure. (In order for Consultant to avail itself of this time period in excess of ten (10) calendar days, Consultant must provide SCPA within the ten (10) day period a written plan acceptable to SCPA to cure said breach, and then diligently commence and continue such cure according to the written plan); or

14.1.3 Should Consultant violate or allow a violation of any valid law, statute, regulation, rule, ordinance, permit, license or order of any governmental agency in effect at the time of performance of the Services and applicable to the Project or Services and does not cure such violation within ten (10) days of the date of the notice from SCPA to Consultant demanding such cure; or, if such failure is curable but not curable within such ten (10) day period, within such period of time as is reasonably necessary to accomplish such cure. (In order for Consultant to avail itself of this time period in excess of ten (10) calendar days, Consultant must provide SCPA within the ten (10) day period a written plan to cure said violation acceptable to SCPA, and then diligently commence and continue performance of such cure according to the written plan.)

14.1.4 In the event of termination by SCPA as provided herein for cause:

(a) Subject to the terms and conditions set forth throughout this Agreement, SCPA shall compensate Consultant for Services delivered to SCPA prior to the date of notice of termination as determined in accordance with the Agreement, but SCPA shall not compensate Consultant for its costs in terminating the Services or any cancellation charges owed to third parties.

(b) Consultant shall deliver to SCPA possession of all tangible
aspects of the Services in their then condition, including but not limited to, all copies (electronic and hard copy) of designs, engineering, Project records, cost data of all types, drawings and specifications and contracts with vendors and Subconsultants, and all other documentation associated with the Project, and all supplies and aids dedicated solely to performing Services which, in the normal course of the Services, would be consumed or only have salvage value at the end of the Services period, but only when SCPA has paid Consultant in full for all services rendered and invoiced, excluding disputed sums withheld by SCPA pursuant to section 4.6 (Questioned Amounts) and/or section 4.9 (Set off for errors and omissions).

(c) Consultant shall remain fully liable for the failure of any defective and/or negligent Services completed and drawings and specifications provided through the date of such termination to comply with the provisions of the Agreement. The provisions of this Section shall not be interpreted to diminish any right which SCPA may have to claim and recover damages for any breach of this Agreement, but rather, Consultant shall compensate SCPA for all loss, cost, damage, expense, and/or liability suffered by SCPA as a result of such termination and failure to comply with the Agreement.

14.1.5 In the event a termination for cause is determined to have been made wrongfully, or without cause, then the termination shall be treated as a termination for convenience, and Consultant shall have no greater rights than it would have had if a termination for convenience had been effected in the first instance. No other loss, cost, damage, expense or liability may be claimed, requested or recovered by Consultant.

14.2 For Convenience.

14.2.1 SCPA may terminate performance of the Services under the Agreement in accordance with this Section in whole, or from time to time in part, whenever SCPA shall determine that termination is in the SCPA’s best interests. Termination shall be effected by SCPA delivering to Consultant, at least seven (7) calendar days prior to the effective date of the termination, a Notice of Termination specifying the extent to which performance of the Services under the Agreement is terminated.

14.2.2 If the termination for convenience hereunder is partial, before the settlement of the terminated portion of this Agreement, Consultant may file with SCPA a request in writing for equitable adjustment of price or prices specified in the Agreement relating to the portion of this Agreement which is not terminated. SCPA may, but shall not be required to, agree on any such equitable adjustment. Nothing contained herein shall limit the right of SCPA and Consultant to agree
upon amount or amounts to be paid to Consultant for completing the
continued portion of the Agreement when the Agreement does not
contain an established price for the continued portion. Nothing
contained herein shall limit SCPA’s rights and remedies at law.

14.3 Obligations upon Receipt of Notice of Termination.

14.3.1 After receipt of a Notice of Termination, whether for cause or for
convenience, and except as otherwise directed by SCPA, Consultant shall:

(a) Stop Services under the Agreement on the date and to the
extent specified in the Notice of Termination;

(b) Place no further orders or subcontracts (including
agreements with Subconsultants) for materials, Services, or
facilities except as necessary to complete the portion of the
Services under the Agreement which is not terminated;

(c) Terminate all orders and subcontracts to the extent that they
relate to performance of Services terminated by the Notice
of Termination;

(d) Assign to SCPA in the manner, at times, and to the extent
directed by SCPA, all right, title, and interest of Consultant
under orders and subcontracts so terminated. SCPA shall
have the right, in its discretion, to settle or pay any or all
claims arising out of termination of orders and subcontracts;

(e) Settle all outstanding liabilities, and all claims arising out of
such termination of orders and subcontracts, with approval
or ratification of SCPA to the extent SCPA may require.
SCPA’s approval or ratification shall be final for purposes
of this clause;

(f) If Consultant has been paid in full for all services rendered
(excluding disputed sums withheld by SCPA pursuant to
section 4.6 (Questioned Amounts) and/or section 4.9 (Set off
for errors and omissions)), Consultant shall transfer title and
possession to SCPA, and execute all required documents and
take all required actions to deliver in the manner, at times,
and to the extent, if any, directed by SCPA, completed and
uncompleted designs and specifications, Services in process,
completed Services, supplies, and other material produced
or fabricated as part of, or acquired in connection with
performance of, Services terminated by the Notice of
Termination (including mockups and model(s)), completed
or partially completed plans, drawings, information, in
whatever form (i.e., hard-copy and electronic), all
intellectual property rights (including without limitation, to
the extent applicable, all licenses and copyright, trademark
and patent rights) and all other property and property rights which, if the Agreement had been completed, would have been required to be furnished to SCPA; and

(g) Complete performance of any part of the Services which were not terminated by the Notice of Termination.

14.4 Termination Claim Process.

14.4.1 After receiving a Notice of Termination, Consultant shall submit to SCPA a termination claim, in the form and with the certification SCPA prescribes. The claim shall be submitted promptly but in no event later than three months from the effective date of the termination, unless one or more extensions in writing are granted by SCPA upon Consultant’s written request made within such 3-month period or authorized extension. However, if SCPA determines that facts justify such action, it may receive and act upon any such termination claim at any time after such 3-month period or extension. If Consultant fails to submit the termination claim within the time allowed, SCPA may determine, on the basis of information available to it, the amount, if any, due to Consultant because of the termination. SCPA shall then pay to Consultant the amount so determined.

14.4.2 Subject to provisions of Section 14.4, Consultant and SCPA may agree upon the whole or part of the amount or amounts to be paid to Consultant because of any termination of Services under this Section. The amount or amounts may include a reasonable allowance for profit on Services done. However, such agreed amount or amounts, exclusive of settlement costs, shall not exceed the total Agreement price as reduced by the amount of payments otherwise made and as further reduced by the Agreement price of Services terminated. The Agreement may be amended accordingly, and Consultant shall be paid the agreed amount.

14.4.3 If Consultant and SCPA fail, under Section 14.4.2, to agree on the whole amount to be paid to Consultant because of termination of Services under this Section, then Consultant’s entitlement to compensation for Services specified in the Agreement which is performed before the effective date of Notice of Termination, shall be the total (without duplication of any items) of:

(a) Reasonable value of Consultant’s Services performed prior to Notice of Termination, based on Consultant’s entitlement to compensation under Appendix “B,” “Compensation Schedule”; and

(b) Reasonable cost to Consultant of handling material returned to vendors, delivered to SCPA or otherwise disposed of as directed by SCPA.

Such amount or amounts shall not exceed the total Agreement price.
as reduced by the amount of payments otherwise made and as further reduced by the Agreement value of Services terminated. Deductions against such amount or amounts shall be made for deficiently performed Services, rework caused by defective and/or negligently performed Services, the cost of materials to be retained by Consultant, amounts realized by the sale of materials, and for other appropriate credits against the cost of Services. Such amount or amounts may include profit, but not in excess of 10 percent of Consultant’s total costs of performing the Services.

When, in reasonable opinion of SCPA, the cost of any item of Services is excessively high due to costs incurred to remedy or replace defective and/or negligently performed Services (including having to re-perform Services), reasonable cost to be allowed will be the estimated reasonable cost of performing Services in compliance with the requirements of Agreement and excessive actual cost shall be disallowed.

14.5 Miscellaneous Provisions Related to Termination.

14.5.1 Except as provided in this Agreement, in no event shall SCPA be liable for costs incurred by Consultant (or Subconsultants) after receipt of a Notice of Termination. Such non-recoverable costs include, but are not limited to, anticipated profits on the Agreement or subcontracts, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, costs of preparing and submitting claims or proposals, attorney’s fees or other costs relating to prosecution of the claim or a lawsuit, pre-judgement interest, or any other expense which is not reasonable or authorized under Section 14.5.

14.5.2 In arriving at amount due Consultant under this Section 14, SCPA may deduct:

(a) All unliquidated advance or other payments on account theretofore made to Consultant, applicable to the terminated portion of Agreement, and

(b) Any substantiated claim which SCPA may have against Consultant in connection with this Agreement.

14.5.3 Notwithstanding any provision in this Agreement, Consultant retains the right, upon five (5) days written notice, to either discontinue its services or withhold its Instruments of Service where payment has not been received from SCPA for any invoiced fees for services rendered within ninety (90) days of its invoice, excluding disputed sums withheld by SCPA pursuant to section 4.6 (Questioned Amounts) and/or section 4.9 (Set off for errors and omissions).

15 Conflicts of Interest/Other Agreements
15.1 Consultant represents that it is familiar with Section 1090 and Section 87100, *et seq.*, of the Government Code of the State of California and that it does not know of any facts that constitute a violation of said sections.

15.2 Consultant represents that it has completely disclosed to SCPA all facts bearing upon any possible interests, direct or indirect, which Consultant believes any member of SCPA, or other officer, agent or employee of SCPA or any department presently has or will have, in this Agreement, or in the performance thereof, or in any portion of the profits thereunder. Willful failure to make such disclosure, if any, shall constitute a ground for termination of this Agreement by SCPA for cause. Consultant agrees to comply with all conflict of interest codes adopted by the SCPA of Alameda and their reporting requirements.

15.3 Consultant covenants that it presently has no interest, and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of Services required under this Agreement. Without limitation, Consultant represents to and agrees with the SCPA that Consultant has no present, and will have no future, conflict of interest between providing the SCPA the Services hereunder and any interest Consultant may presently have, or will have in the future, with respect to any other person or entity (including but not limited to any federal or state wildlife, environmental or regulatory agency) which has any interest adverse or potentially adverse to the SCPA, as determined in the reasonable judgment of the SCPA. The provisions of this Section 15 shall remain fully effective indefinitely after termination of Services to the SCPA hereunder.

15.4 If requested to do so by SCPA, Consultant shall complete and file and shall require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" with SCPA disclosing Consultant's or such other person's financial interests.

16 Proprietary or Confidential Information of SCPA; Publicity

16.1 Proprietary or Confidential Information. Consultant acknowledges and agrees that, in the performance of the Services under this Agreement or in the contemplation thereof, Consultant may have access to private or confidential information which may be owned or controlled by SCPA and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to SCPA. Consultant agrees that all information disclosed by SCPA and specifically identified as confidential to Consultant shall be held in strict confidence and used only in the performance of the Agreement. Consultant shall exercise the same standard of care to protect such information as a reasonably prudent Consultant would use to protect its own proprietary data, and shall not accept employment adverse to the SCPA’s interests where such confidential information could be used adversely to the SCPA’s interests. Consultant agrees to notify the SCPA immediately in writing if it is requested to disclose any information made known to or discovered by Consultant during the performance of or in connection with this Agreement.
16.2 Publicity. Any publicity or press releases with respect to the Project or Services shall be under the SCPA’s sole discretion and control. Consultant shall not discuss the Services or Project, or matters pertaining thereto, with the public press, representatives of the public media, public bodies or representatives of public bodies, without SCPA’s prior written consent. Consultant shall have the right, however, without SCPA’s further consent, to include representations of Services among Consultant's promotional and professional material, and to communicate with persons or public bodies where necessary to perform under this Agreement.

16.3 The provisions of this Section 16 shall remain fully effective indefinitely after termination of Services to the SCPA hereunder.

16.4 Conflicts of Interest. Notwithstanding any provision in this Agreement, and in accordance with Codes of Professional Conduct (Title 16, California Code of Regulations Section 400, et. Seq.) SCPA acknowledges that when Consultant provides professional services for two or more clients on a project or related projects, Consultant has the legal obligation to disclose in writing to those clients the Consultant’s relationship to those clients. Should all or portions of those projects be sold or acquired by others, SCPA acknowledges that Consultant may provide services to prospective buyers or new owners and that additional disclosure need not be provided. SCPA also acknowledges that Consultant is providing services or may in the future provide services to others in the Project area, and that additional disclosure need not be provided.

17 Notice to the Parties

17.1 Notices. All notices (including requests, demands, approvals or other communications) under this Agreement shall be in writing.

17.1.1 Method of Delivery. Notice shall be sufficiently given for all purposes as follows:

(a) When personally delivered to the recipient, notice is effective on delivery.

(b) When mailed first class to the last address of the recipient known to the party giving notice, notice is effective on delivery.

(c) When mailed by certified mail with return receipt requested, notice is effective on receipt if delivery is confirmed by a return receipt.

(d) When delivered by overnight delivery service, including Federal Express, and United Parcel Service, with charges prepaid or charged to the sender’s account, notice is effective on delivery if delivery is confirmed by the delivery service.

(e) When sent by email to the last email address of the recipient known to the party giving notice, notice is effective on
receipt as long as (1) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery or (2) the receiving party delivers a written confirmation of receipt. Any notice given by email shall be considered to have been received on the next business day if it is received after 5 p.m. (recipient’s time) or on a nonbusiness day.

17.1.2 Refused, Unclaimed or Undeliverable Notices. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified shall be considered to be effective as of the first date that the notice was refused, unclaimed, or considered undeliverable by the postal authorities, messenger, or overnight delivery service.

17.1.3 Addresses. Addresses for the purpose of giving notice are set forth below. Either party may change its address or other aspects of its contact information by giving the other party notice of the change in any manner permitted by this paragraph 17.

To SCPA: Cordell Stillman, Director of Programs
50 Santa Rosa Avenue
Santa Rosa, CA 95404
cstillman@sonomacleanpower.org

To Consultant: Brad Jacobson, Associate Principal
EHDD
500 Treat Avenue, Suite 201
San Francisco CA 94110
b.jacobson@ehdd.com

17.1.4 Change of Recipient or Address. Either party may, by written notice given at any time or from time to time, require subsequent notices to be given to another individual person, whether a party or an officer or a representative, or to a different address, or both. Notices given before actual receipt of notice of change shall not be invalidated by the change.

18 Ownership of Results/Work for Hire

18.1 Any interest (including, but not limited to, property interests and copyright interests) of Consultant or its Subconsultants, in drawings, plans, specifications, studies, reports, memoranda, computational sheets or other documents (including but not limited to, electronic media) prepared by Consultant or its Subconsultants in connection with Services to be performed under this Agreement shall become the property of and will be transmitted to SCPA at the conclusion of this Agreement and only upon full and final payment of all undisputed invoices for all work performed by Consultant, excluding disputed sums withheld by SCPA pursuant to section 4.6
(Questioned Amounts) and/or section 4.9 (Set off for errors and omissions). The Consultant may, however, retain one copy for its files.

18.2 Notwithstanding the foregoing, in the normal course of the Consultant's activities, Consultant shall have an unrestricted right to reuse its standard construction drawings, details, specifications and other related documents, including the right to retain electronic data or other reproducible copies thereof, and the right to reuse portions or the information contained in them which is incidental to the overall design of the Project.

19 Audit and Inspection Records

19.1 Consultant shall maintain all drawings, specifications, calculations, cost estimates, quantity takeoffs, statements of construction costs and completion dates, schedules and all correspondence, internal memoranda, papers, writings, electronic media and documents of any sort prepared by or furnished to Consultant during the course of performing the Services and providing services with respect to the Project, for a period of at least five (5) years (or to the extent required by law, whichever is longer) following final completion and acceptance of the Project. All such records (except for materials subject to the attorney-client privilege, if any) shall be available to SCPA, and SCPA’s authorized agents, officers, and employees, upon request at reasonable times and places. Monthly records of Consultant’s personnel costs, Consultant costs, and reimbursable expenses pertaining to both Basic Services and Additional Services shall be kept on a generally recognized accounting basis, and shall be available to SCPA, and SCPA’s authorized agents, officers, and employees, upon request at reasonable times and places. Consultant shall not destroy any Project records until after advising SCPA and allowing SCPA to accept and store the records.

19.2 Consultant agrees to maintain full and adequate records in accordance with SCPA requirements to show actual costs incurred by Consultant in its performance of this Agreement, and to make available to SCPA during business hours accurate ledgers, books of accounts, invoices, vouchers, cancelled checks, and accounting and other books, records and documents evidencing or relating to all expenditures and disbursements charged to SCPA or relative to Consultant’s activities under this Agreement. The consultant will furnish to SCPA, its authorized agents, officers and employees such other evidence or information as SCPA may request with regard to any such expenditure or disbursement charged by Consultant. Consultant will permit SCPA, and SCPA’s authorized agents, officers, and employees, to audit, examine and make copies, excerpts and transcripts from such items, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement.

19.3 Consultant shall maintain all items described in Sections 19.1 and 19.2 above in an accessible location and condition for a period of not less than five (5) years after final completion and acceptance of the Project or until after final audit has been resolved, whichever is later. If such items are not kept and maintained by Consultant within a radius of fifty (50) miles from SCPA’s
headquarters, Consultant shall, upon SCPA’s request and at Consultant’s sole
cost and expense, make such items available to SCPA, and SCPA’s authorized
agents, officers, and employees, for inspection at a location within said fifty
(50) mile radius or Consultant shall pay SCPA its reasonable and necessary
costs incurred in inspecting Consultant’s books and records, including, but not
limited to, travel, lodging and subsistence costs. The State of California or any
federal agency having an interest in the subject of this Agreement shall have
the same rights conferred upon SCPA by this Section.

19.4 The rights and obligations established pursuant to this Section shall be
specifically enforceable and survive termination of this Agreement.

20 Subcontracting/Assignment/SCPA Employees

20.1 Consultant and SCPA agree that Consultant’s unique talents, knowledge, and
experience form a basis for this Agreement and that the services to be
performed by Consultant under this Agreement are personal in character.
Therefore, Consultant shall not subcontract, assign, transfer or delegate any
portion of this Agreement or any duties or obligations hereunder unless
approved by SCPA in a written instrument executed and approved by the
SCPA in writing. Neither party shall, on the basis of this Agreement, contract
on behalf of or in the name of the other party. Any agreement that violates
this Section shall confer no rights on any party and shall be null and void.

20.2 Consultant shall use the subconsultants for the scopes of work listed in its
Statement of Qualifications and Proposal (exhibits to Appendix “A”), below
and shall not substitute Subconsultants unless approved by a written
instrument executed and approved by the SCPA in writing.

20.3 To the extent Consultant is permitted by SCPA in writing to subcontract,
assign or subcontract any portion of this Agreement or any duties or
obligations hereunder; Consultant shall comply with all applicable prompt
payment laws and regulations (including, without limitation, California Civil
Code Section California §3321. Consultant shall remain fully liable and
responsible for all acts and omissions of its Subconsultants in connection with
the Services or the Project as if it engaged in the acts and omissions directly.

20.4 Consultant shall not employ or engage, or attempt to employ or engage, any
person who is or was employed by SCPA or any department thereof at any
time that this Agreement is in effect, during the term of this Agreement and
for a period of two years after the termination of this Agreement or the
completion of the Services, without the written consent of SCPA.

21 Non-Discrimination, Equal Employment Opportunity and Business Practices

Consultant shall not discriminate against any employee or applicant for employment,
nor against any Subconsultant or applicant for a subcontract, because of race, color,
religious creed, age, sex, actual or perceived sexual orientation, national origin,
disability as defined by the ADA (as defined below) or veteran’s status. To the extent
applicable, Consultant shall comply with all federal, state and local laws (including,
without limitation, SCPA ordinances, rules and regulations) regarding non-
discrimination, equal employment opportunity, affirmative action, and occupational-
safety-health concerns, shall comply with all applicable rules and regulations
thereunder, and shall comply with same as each may be amended from time to time.

22 Drug-Free Workplace Policy

Consultant acknowledges that pursuant to the Federal Drug-Free Workplace Act of
1989, the unlawful manufacture, distribution, dispensation, possession, or use of a
controlled substance is prohibited on SCPA premises. Consultant agrees that any
violation of this prohibition by Consultant, its employees, agents or assigns shall be
deemed a material breach of this Agreement.

23 Compliance with Americans with Disabilities Act

Consultant acknowledges that, pursuant to the Americans with Disabilities Act
(“ADA”) and other similar state accessibility laws and statutes (“Accessibility Laws”),
programs, services and other activities provided by a public entity to the public,
whether directly or through a contractor, must be accessible to the disabled public.
Consultant shall provide the Services specified in this Agreement in a manner that
complies with the Standard of Care established under this Agreement regarding the
ADA and any and all other applicable federal, state and local disability rights
legislation. Consultant agrees not to discriminate against disabled persons in the
provision of services, benefits or activities provided under this Agreement, and further
agrees that any violation of this prohibition on the part of Consultant, its employees,
agents or assigns shall constitute a material breach of this Agreement.

SCPA acknowledges and understands, however, that the Accessibility Laws are
subject to various and possibly contradictory interpretation. Furthermore, compliance
may involve factors beyond the control of the Consultant including SCPA’s use and
operation of the completed project. Consultant shall not be responsible for any
inaccessibility issues caused by SCPA’s use and operation of the completed project.

24 Disputes.

24.1. Should any question arise as to the meaning and intent of this Agreement, the
question shall, prior to any other action or resort to any other legal remedy, be
referred to the SCPA CEO or his designee, and a principal of the Consultant who
shall attempt, in good faith, to resolve the dispute. Such referral may be initiated
by written request from either Party. A meeting between the SCPA
representative, and principal of the Consultant shall then be scheduled within ten
(10) business days of the request, unless such time is extended by mutual
agreement of the Parties.

24.2. Provided that SCPA continues to compensate Consultant in accordance with this
Agreement, Consultant shall continue its Services throughout the course of any
and all disputes. Nothing in this Agreement shall allow Consultant to discontinue
Services during the course of any dispute, and Consultant’s failure to continue
Services during any and all disputes shall be considered a material breach of this
Agreement, except in the case of SCPA’s non-payment for Services exceeding
ninety (90) days where such non-payment is not pursuant to section 4.6
(Questioned Amounts) and/or section 4.9 (Set offs for Errors and Omissions) of
this Agreement. Consultant agrees that the existence or continued existence of a dispute does not excuse performance under any provision of this Agreement, including but not limited to, the time to complete the Services. The consultant also agrees that should Consultant discontinue Services due to a dispute or disputes, SCPA may terminate this Agreement for cause as provided herein.

24.3. This dispute provision is not intended to nor shall it be construed to change any time periods for filing a claim or action specified by California Government Code section 900 et seq.

25 Agreement Made in California; Venue

25.1. This Agreement shall be deemed to have been executed in the City of Santa Rosa, County of Sonoma. The formation, interpretation, and performance of this Agreement shall be governed by the laws of the State of California, excluding its conflict of laws rules.

25.2. The venue for all litigation relative to the formation, interpretation, and performance of this Agreement shall be in the County of Sonoma. Consultant waives California Code of Civil Procedure §394.

26 Compliance with Laws

26.1 Consultant represents that it will comply with all applicable federal, state and local laws, codes, regulations, statutes, policies, permits and any other conditions (collectively, “Laws”) in the performance of the Services, regardless of whether such Laws are specifically stated in this Agreement and regardless of whether such Laws are in effect on the date hereof. Consultant shall comply with all security requirements imposed by authorities with jurisdiction over the Project, and will provide all information, work histories and/or verifications as requested by such authorities for security clearances or compliance.

26.2 Consultant further represents that all plans, drawings, specifications, designs and any other product of the Services will comply with all applicable Laws, consistent with the Standard of Care in this Agreement. To the extent there is a conflicting Law, Consultant shall perform its Services applying the more stringent requirement.

27 Construction.

27.1 All section and paragraph captions are for reference only and shall not be considered in construing this Agreement. Each signatory to this Agreement for Consultant shall have joint and several responsibility and liability to perform the terms of this Agreement.

27.2 Whenever the words “as directed,” “as required,” “as permitted,” or words of like effect are used, it shall be understood as the direction, requirement, or permission of SCPA. The words “approval,” “acceptable,” “satisfactory,” or words of like import, shall mean approved by, or acceptable to, or satisfactory to SCPA, unless otherwise indicated by the context.
27.3 Each Party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

28 Miscellaneous

28.1 Statute of Limitations. As between the Parties to this Agreement: as to all acts or failures to act by either party to this Agreement, any applicable statute of limitations shall commence to run on the date of issuance by SCPA of the final Certificate for Payment, or termination of this Agreement, whichever is earlier. This section shall not apply to latent defects as defined by California law or negligence claims, as to which the statute of limitations shall be as defined by law. However, the applicable statutes of repose, California Code of Civil Procedure Sections §§337.1 and 337.15, shall continue to apply.

28.2 Severability. Any provisions or portion thereof of this Agreement, which is prohibited by, unlawful or unenforceable under any applicable law of any jurisdiction, shall as to such jurisdiction be ineffective without affecting other provisions of this Agreement. If the provisions of such applicable law may be waived, they are hereby waived to the end that this Agreement may be deemed to be a valid and binding agreement enforceable in accordance with its terms. If any provisions or portion thereof of this Agreement are prohibited by, unlawful, or unenforceable under any applicable law and are therefore stricken or deemed waived, the remainder of such provisions and this Agreement shall be interpreted to achieve the goals or intent of the stricken or waived provisions or portions thereof to the extent such interpretation is consistent with applicable law.

28.3 Waiver. Either Party’s waiver of any breach, or the omission or failure of either Party, at any time, to enforce any right reserved to it, or to require performance of any of the terms, covenants, conditions or other provisions of this Agreement, including the timing of any such performance, shall not be a waiver of any other right to which any party is entitled, and shall not in any way affect, limit, modify or waive that party’s right thereafter to enforce or compel strict compliance with every term, covenant, condition or other provision hereof, any course of dealing or custom of the trade or oral representations notwithstanding.

28.4 Entire Agreement; Modifications of Agreement. The Agreement, and any written modification to the Agreement shall represent the entire and integrated Agreement between the Parties hereto regarding the subject matter of this Agreement and shall constitute the exclusive statement of the terms of the Parties’ Agreement. The Agreement, and any written modification to the Agreement, shall supersede any and all prior negotiations, representations or agreements, either written or oral, express or implied, that relate in any way to the subject matter of this Agreement or written modification, and the parties represent and agree that they are entering into this Agreement and any subsequent written modification in sole reliance upon the information set forth in the Agreement or written modification and the parties are not and will not rely on any other information. All prior
negotiations, representations or agreements, either written or oral, express or implied, which relate in any way to the subject matter of this Agreement, shall not be admissible or referred to hereafter in the interpretation or enforcement of this Agreement.

28.5 **Amendment.** This Agreement may not be modified or otherwise amended or changed, nor may compliance with any of its terms be waived, except by written instrument executed and approved by a fully authorized representative of both SCPA and Consultant.

28.6 **Time of the Essence.** Time is and shall be of the essence in the performance of this Agreement and every provision hereof.

28.7 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

28.8 **No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the Parties hereto, with no intent to benefit any non-signator third parties.

28.9 **Controlling Provisions.** In the event of any conflict between the terms of this Agreement and the Appendices hereto, the Agreement shall control.

28.10 **Professional Seal.** Where applicable in the determination of SCPA, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.

28.11 **Survival.** All express representations, waivers, indemnifications, errors/omissions provisions, limitations of liability and other obligations arising prior to termination or otherwise included in this Agreement will survive its expiration, completion or termination for any reason.
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

CONSULTANT
Esherick Homsey Dodge and Davis,
Architects, A Professional Corporation

By: Duncan Ballash, Principal & President

SCPA
Sonoma Clean Power Authority

By: Geof Syphers, Chief Executive Officer

APPROVED AS TO FORM

By: General Counsel

END OF DOCUMENT
APPENDIX A
SCOPE OF SERVICES

This is an appendix attached to, and made a part of and incorporated by reference with the Agreement as follows:

1. Base Services.

1.1 SONOMA CLEAN POWER AUTHORITY HEADQUARTERS

Consultant agrees to provide engineering, architectural, design, and other related support services for SCPA’s renovation of a 14,400+/- sf office building and surrounding property in downtown Santa Rosa. The building will serve as SCPA’s headquarters and include a showcase of zero-carbon technologies, including heat pumps, solar photovoltaic parking structure with batteries and electric vehicle charging, induction cooktops, and advanced efficiency measures like integrated LED daylighting controls and possibly mixed-mode HVAC with operable windows.

The subject property is located at 431 E Street, Santa Rosa CA (APN: 009-055-013-000) and 426 Beaver Street, Santa Rosa CA (APN: 009-055-004-000).

The target date for move-in is August 2020.

1.2 Consultant Team

Consultant’s team consists of the following subconsultants:

- Point Energy Innovations  Mechanical, Electrical, Plumbing (MEP)
- Reed Gilliland    Landscape Architect
- ZFA     Structural Engineering
- RGD Acoustics  AV and Acoustical Consulting – narrative only
- BKF Engineers    Civil Engineering
- TBD Consultants   Cost Estimating
- Integrated Design Lab   Daylighting

Consultant shall provide architectural services, and is the prime consultant, with the other consultants listed above serving as subconsultants.

Project Manager:

Principal in charge: Brad Jacobson, Associate Principal, EHDD, 500 Treat Avenue, Suite 201, San Francisco, CA 94110, b.jacobson@ehdd.com, (415) 321-6330.

Project Manager: Amy Fashimpar, EHDD, 500 Treat Avenue, Suite 201, San Francisco, CA 94110, a.fashimpar@ehdd.com, (415) 321-6329.

In future phases the following services may be added: signage + wayfinding; architectural specifications; food service design; architectural lighting; fire alarm; photovoltaic system design (performance specifications only); telecommunications and security (performance
specifications only), fire protection (performance specifications only), furniture design (FF&E).

1.3 **Scope of Project – Schematic Design Phase**

1.3.1 **Tasks**

(a) Validation of client-provided program requirements and refinement of project vision and goals;
(b) Development of 3D REVIT model of existing building and site;
(c) Development of concept design options for interior space planning and scope of modifications/additions;
(d) Development of floor plans through test fits confirming all program spaces and sizes, locations adjacencies and support/back of house spaces;
(e) Development/refinement of exterior design including confirmation of materials, openings, signage locations and preliminary details for confirmation of cost and zoning/planning code requirements;
(f) Preliminary ceiling and sectional concepts;
(g) Preliminary selection and description of all major building materials and assemblies to convey design intent and establish parameters for pricing;
(h) Preliminary code analysis and egress/accessibility plans;
(i) Planning/zoning analysis, preliminary project review meeting, and determination of site permit requirements;
(j) Sustainability options, goal-setting, and basis of design narrative, including energy modeling to set targets;
(k) Preliminary coordination and collaboration with consultant team, including confirmation of all program space requirements and development of design criteria and preliminary options for all building systems and infrastructure. Basis of design narratives and preliminary drawings to be provided for 100% schematic design;
(l) 100% schematic design architectural documents to include: (i) floor plans, demolition plans, conceptual furniture plans, building sections and elevations; (ii) basis of design narratives describing architectural design and sustainability goals/features; (iii) preliminary building code analysis and egress plans;
(m) Final program space allocation summary;
(n) Establishment of project budget through benchmarking studies of local construction market; identification of “value add” items and associated costs;
(o) Review end phase cost estimate by Cost Estimator and develop value engineering options upon request by SCPA.

1.3.2 **Exclusions:** The following services are excluded from Base Services, and may be added by SCPA as Additional Services in accordance with the procedures set forth in section 3 of this Appendix “A”, at the rates set forth in Exhibit “B-2” (“Hourly Rates”):

(a) Significant programming beyond a confirmation of program provided in this Appendix “A” or SCPA’s Request for Qualifications for the Project;
(b) Professional renderings and/or physical models;
(c) Meetings beyond those specifically enumerated in section 1.3.3 of this
Appendix “A”; excluding those meetings necessary to comply with section 2.3.2 of this Appendix “A”; 
(d) Additional consultants beyond those listed in section 1.2 of this Appendix.

1.3.3 Meetings and Presentations

Duration
Approximately two (2) months

Meetings
- Three (3) in-person client team meetings including Consultant and appropriate subconsultants as necessary
- Design team meetings as needed, online or in-person
- One (1) cost review meeting with Consultant, including key subconsultants for cost estimating and other areas as appropriate

Presentations
Two (2) Public Meetings (e.g. Board of Directors Meeting, Community Meeting)

Unless otherwise noted above, all meetings shall be held at SCPA offices or the Project Site, subject to change based on mutual agreement of the Parties.

1.4 Consultant’s Milestone Schedule

1.4.1 Month 1

(a) Client Team Meeting No. 1: Kickoff meeting (Consultant + Point Energy Innovations); program confirmation and goal setting.
(b) Confirmation of Program
(c) REVIT Model Build
(d) Initial Test Fits, Site Plan, and Renovation Concepts
(e) Development of baseline budget (cost to renovate existing building to Class A – office standards based on current Title 24 requirements
(f) Client Team Meeting No. 2: Present Program, Concepts and Baseline Budget (Consultant + Point Energy Innovation + Reed Gilliland)

1.4.2 Month 2

(a) Selection and development of schematic plan and section
(b) Narrative Development of envelope, daylighting, comfort and MEP strategies
(c) Client Team Meeting No. 3: Present two (2) refined options with cost estimates; select schematic design approach.
(d) Issuance of Plan Backgrounds
(e) Issuance of draft 100% Schematic Design drawings and narrative
(f) Preparation and submittal of cost estimate based on 100% Schematic Design documents
(g) Client Team Meeting No. 4: Final Cost Review (possibly by videoconference, upon consent from SCPA)
(h) Issuance of final 100% Schematic Design drawings and narrative and final cost estimates.
1.5 **Deliverables**

1.5.1 Design presentations, including 2D drawings and 3D sketches to convey design intent

1.5.2 100% Schematic Design Drawings and Narratives

1.6 **Preliminary Field Investigation.** Project team members to visit the site to gather field information sufficient to develop Project deliverables.

1.7 **Cost Estimates.** The consultant will provide a baseline budget, cost estimates for refined options to be considered by SCPA and a cost estimate at 100% schematic design to assist the SCPA in any necessary adjustment, if necessary, to the scope of work or to the cost estimate.

1.8 **Revisions.** Consultant agrees to prepare revisions to the documents during the Schematic Design phase as part of its Base Services; provided, however, that revisions that are inconsistent with written approvals previously given by SCPA may be considered Additional Services.

2. **General Requirements**

2.1 **Personnel and Subconsultants.** Consultant shall use only the personnel and subconsultants identified in this Appendix in performing the Services.

2.2 **General Criteria Governing Consultant’s Service.**

2.2.1 Plans, material specifications, design calculations, site data and any cost estimates required to be prepared by Consultant shall be prepared by licensed personnel or personnel under the direction of licensed personnel. As required by the California Code of Regulations, “Responsible Charge” for such Services shall be with a Registered Architect or Engineer licensed in the State of California.

2.2.2 The Project shall be developed and designed to meet all applicable and the most current codes, laws, regulations, and professional standards. Certain exceptions are possible, but only when the SCPA grants a written exemption to a specific standard or regulation.

2.2.3 Consultant shall review existing SCPA data, reports, plans, and other information regarding the site, and perform field investigations as necessary to become familiar with the site. Consultant shall review the information provided by the SCPA concerning existing conditions (including but not limited to existing utilities and structures) and inform SCPA if further investigations of existing conditions as are necessary for Consultant to perform the Services. Consultant shall also reasonably rely on the information provided by SCPA. Consultant shall review supplied design information and advise SCPA of its adequacy for Consultant’s work and advise SCPA of any further design or other services necessary to complete the Project.
2.2.4  Unless otherwise permitted in writing by SCPA, Consultant shall not specify or recommend unique, innovative, proprietary or sole source equipment, systems or materials. In the event Consultant requests to specify or recommend a proprietary or sole source design or equipment, Consultant shall provide SCPA with a written evaluation of whether all periodic maintenance and replacement of parts, equipment or systems, can normally be performed and without excessive cost or time. SCPA will consider such evaluation in making its decision.

2.3  General Scope of Consultant’s Services

2.3.1  Consultant’s services shall include professional services within the scope of Consultant’s professional discipline (including Consultant’s team’s professional disciplines) necessary to accomplish the tasks defined throughout this Appendix. Consultant shall have adequate personnel, facilities, equipment and supplies to complete Consultant’s Services.

2.3.2  Performance of Services will require Consultant to work with, meet with, and attend meetings with SCPA staff, with other governmental agencies, and with such other consultants as Consultant determines necessary, to the extent necessary for performance of Consultant’s duties under this Agreement (including, but not limited to, Consultant’s express duties of coordination with other consultants).

2.3.3  Consultant shall engage appropriate specialty subconsultants as are necessary for proper completion of Consultant’s Services in accordance with the scope of work specified herein and utilizing the subconsultants as specified section 1.2 of this Appendix “A”, at the sole expense of Consultant. Consultant’s contracts with its subconsultants (and their contracts with their subconsultants) shall incorporate this Agreement by reference to the extent not inconsistent with the subconsultant’s scope of work. Consultant shall secure SCPA’s approval for any subconsultants not listed in this Appendix. Consultant shall require each of its subconsultants to execute agreements containing a standard of care and indemnity provisions coextensive with those in this Agreement and which will indemnify and hold SCPA harmless from any negligent errors or omissions of the Subconsultants.

2.3.4  Consultant shall provide SCPA with written evaluations, when applicable, of the effect of any and all governmental and private regulations, licenses, patents, permits, and any other type of applicable restriction and associated requirements on the Services and its incorporation into the Project, including but not limited to, all requirements imposed by the Office of Statewide Health Planning & Development (OSHPD), Division of State Architect, Regional Water Quality Control Board, California Uniform Building Code and California Regulations (including but not limited to Title 24). Consultant may incorporate these written evaluations into its deliverables as expository of the report and design solutions provided.

2.4  Coordination of Services with the Project, SCPA’s Consultant Team, and SCPA Staff
2.4.1 Consultant shall coordinate its Services with the services of all engineering disciplines and subconsultants involved in completing the Project. The objective of this coordination shall be the development of a comprehensive and workable design for the site work portion of the Project and preliminary design for the balance of the Project, with consistency in engineering standards, anticipated construction details, materials specifications, and approaches, to secure practical, consistent and economic design solutions. Consultant shall immediately advise SCPA in writing if any SCPA staff or consultant fails in any manner to coordinate its work with Consultant, and the nature of the non-compliance. SCPA will have a responsibility to then enforce compliance.

2.4.2 Consultant shall provide appropriate safety training for Consultant’s personnel. Consultant shall review and train Consultant’s personnel in appropriate safety procedures for work in the Project construction area. Consultant shall require all personnel under Consultant’s direction to wear white hard hats when entering the construction area, and any other safety equipment such as orange vests and appropriate shoes, ear and eye protection whenever these precautions are required by OSHA safety standards. Consultant shall provide all safety equipment for Consultant’s personnel.

2.5 Deliverables and Completion Dates Required Under This Agreement

Required deliverables are discussed in Section 1.5 of this Appendix “A”. Each deliverable shall be reviewed with representatives of the SCPA. The SCPA shall make a reasonable determination of the acceptability of the deliverables. Consultant shall promptly correct deficiencies that SCPA reasonably identifies in the deliverables and shall promptly make modifications to conform with Project requirements and modifications to achieve acceptability of deliverables to SCPA, and the cost thereof is included in the fee for Basic Services. If Consultant should disagree with SCPA’s determination, Consultant shall make the changes requested by SCPA under a reservation of rights to request additional compensation and shall submit separate supporting documentation for the additional charge.

2.6 Monthly Progress Update

With each request for payment, Consultant shall provide SCPA with a written Monthly Progress Update. The Monthly Progress Update shall cover the Consultant’s percent complete for each phase of the work as outlined in the “Monthly Billing Breakdown” in accordance with Appendix B, section 2. If applicable, the Monthly Progress Update shall identify any actions and approvals needed, and any problems in performing the Services (whether by Consultant, SCPA or any third party) of which Consultant becomes aware.

3. Additional Services

All Services identified in the Agreement, including but not limited to the Agreement form, the other appendices, and in the foregoing sections of this Appendix A are “Base Services.” The SCPA may request Consultant to provide services in addition to Base Services, referred to hereafter as (Additional Services). Additional Services must be authorized by SCPA in writing prior to performance. Consultant shall be compensated for Additional Services as provided herein unless the parties agree on lump sum compensation for particular work activities.
Under no circumstances shall Additional Services be deemed to include work or services necessary because of Consultant’s defective and/or negligent errors, or omissions in Consultant’s work product. All such services shall be performed at no cost to SCPA, including, but not limited to, any required corrections or revisions to reports, drawings or specifications that are a result of any defective and/or negligent errors or omissions by Consultant. Nor shall Additional Services include work performed prior to written notice and written agreement upon the Additional Services.

END OF APPENDIX A
APPENDIX B

COMPENSATION SCHEDULE

1 Amount of Compensation for Services of Consultant.

1.1 Excluding Additional Services only, the amount of compensation to be paid to Consultant for all services under this Agreement shall not exceed One Hundred Ninety-Five Thousand, Five Hundred and Fifty-One dollars ($195,551.00) referred to hereafter as the Not-To-Exceed Amount (“NTE”). Total compensation due Consultant shall be the actual amount invoiced based upon the Consultant’s hourly billing, which may be less than the NTE amount. Reimbursable Expenses are included in the NTE. The NTE also includes within its scope the scope of all subconsultants and their reimbursables, and shall constitute full compensation for the Services.

1.2 “Reimbursable Expenses” means job-related expenses directly incurred by Consultant in the performance of services provided under the Agreement. Reimbursable expenses include mail and overnight delivery services, reproduction of reports, drawings, specifications, photographs and similar. Normal travel expenses to and from the site and/or for meetings with SCPA under the Agreement are Reimbursable Expenses. Any Reimbursable Expenses exceeding the value of Five Hundred dollars ($500.00) and/or Out-of-State travel in connection with the project shall be approved in advance, in writing by SCPA. Reimbursable expenses will be billed at cost plus 10%. Reimbursable Expenses shall not exceed Four thousand, eight hundred and twenty-five dollars ($4,825.00)

1.3 Compensation for Base Services will be on a fixed fee basis, as set forth in Exhibit “B-1” (“Fixed Fees for Base Services”) attached to this Appendix “B”.

1.4 Additional Services, if any are engaged in accordance with the procedures set forth in section 3 of Appendix “A”, will be compensated at the rates set forth in Exhibit “B-2” (“Hourly Rates”) attached to this Appendix “B”.

2 Monthly Billing Breakdown

2.1 SCPA shall make monthly payments to Consultant in accordance with approved Monthly Billing Breakdown, which shall be submitted by Consultant for SCPA’s approval prior to the first monthly invoice. The “Monthly Billing Breakdown” shall itemize separate categories for each consultant, each design and construction phase, along with a project schedule defining the timeline and cost for each category.

2.2 All invoices must include:

2.2.1 Purchase Order Number;
2.2.2 Project Name;
2.2.3 Project Address;
2.2.4 SCPA’s Project Number;
2.2.5 Project Manager Name;
2.2.6 Description of service performed;
2.2.7 Date range of services performed;
2.2.8 Invoices, receipts, or other reasonably requested documentation related to Reimbursable Expenses; and
2.2.9 Sent electronically to: cstillman@sonomacleanpower.org or via mail to Sonoma Clean Power, ATTN: Cordel Stillman, 50 Santa Rosa Avenue, 5th Floor, Santa Rosa CA 95404.
Methods of Payment to Consultant

3.1 For Basic Services on the Project. Consultant shall submit monthly invoices in accordance with the approved “Monthly Billing Breakdown” specifying the percentage complete for each billing category and itemized reimbursable expenses supported by invoices and appropriate backup documentation. Each invoice shall report on Consultant’s total billings.

3.2 For Additional Services. In the event Additional Services are authorized, SCPA shall pay Consultant for Additional Services, as defined below, as follows:

3.2.1 General. For Additional Services of Consultant’s professional staff engaged directly on the Project, on the basis of a lump sum amount negotiated between the parties, or, at SCPA’s option, based on hourly rates per Consultant’s Billing schedule with an agreed Not-to-Exceed amount.

3.2.2 Subconsultants. For Additional Services of Subconsultants employed by Consultant to render Additional Services, the amount, billed to Consultant plus 10%, therefore.

3.2.3 For Additional services on an hourly basis, Consultant agrees that all Subconsultant billing will be limited to a not-to-exceed amount upon prior written approval of the SCPA.

END OF APPENDIX B
### Compensation Summary for Client

**PROJECT NAME:** Sonoma Clean Power HQ Renovation  
**DATE:** [180705]  
**JOB NO.:** 18044

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| 1.2 Total Base A/E Design Fee | $ 190,726 | $ - | $ - | $ - | $ - | $ - | $ 190,726 |
| 1.3 Estimated Reimbursables | $ 4,825 | $ - | $ - | $ - | $ - | $ - | $ 4,825 |
| 1.4 TOTAL COST BASE SERVICES | $ 195,551 | $ - | $ - | $ - | $ - | $ - | $ 195,551 |
1. Architectural Services will be billed at the following hourly rates:

   - Principal: $300 per hour
   - Associate Principal: $265 per hour
   - Director of Interior Design: $275 per hour
   - Director of Construction Administration: $275 per hour
   - Director of Project Management: $275 per hour
   - Senior Project Manager/Architect IV: $210 per hour
   - Project Manager/Architect III: $190 per hour
   - Architect II: $170 per hour
   - Architect I: $150 per hour
   - Designer IV: $170 per hour
   - Designer III: $150 per hour
   - Designer II: $135 per hour
   - Designer I: $115 per hour
   - Interior Designer IV: $210 per hour
   - Interior Designer III: $190 per hour
   - Interior Designer II: $170 per hour
   - Interior Designer I: $150 per hour
   - Graphic Designer: $145 per hour
   - Contract Administrator: $135 per hour
   - Construction Administrator: $110 per hour
   - Project Assistant: $95 per hour
   - Intern: $90 per hour

2. Reimbursable and consultant costs shall be billed at cost plus 10% and include the following:
   a. Cost of printing or duplication of drawings, CADD plotting, specifications, reports and cost estimates;
   b. Lodging, subsistence and out-of-pocket expenses for authorized travel in connection with the work;
   c. Airfare, car rental, and local travel when applicable at mileage rates per current IRS guidelines, plus tolls and parking fees;
   d. Postage, express mail, messenger and delivery charges;
   e. Cost of models, special renderings, photography, special process printing, special printed reports or publications;
   f. Fees for consultants retained with approval of the client.

Our invoices for the above will be billed monthly and are due upon presentment. Unpaid amounts accrue interest at the maximum legal rate from the 45th day following the date of the invoice.

The billing rates shown above are for the time spent on the project. The rates are subject to annual increase averaging 5%.
APPENDIX C
INSURANCE

A. Consultant is required to maintain at all times during the performance of this Agreement the following insurance coverage:

1. Workers’ Compensation Employers’ Liability limits of $1,000,000 each occurrence, $1,000,000 per disease, and $1,000,000 each employee. Consultant’s Workers’ Compensation Insurance policy shall contain a Waiver of Subrogation. In the event Consultant is self-insured, it shall furnish Certificate of Permission to Self-Insure signed by Department of Industrial Relations Administration of Self-Insurance, State of California. Employers’ Liability Coverage endorsement shall specify as entity and endorsement holder the SCPA, its Board of Supervisors, the individual members thereof, and all SCPA officers, agents, employees, and volunteers.

2. Occurrence-based Commercial General Liability Insurance or Business Owners Policy with limits of $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations, and $2,000,000 Aggregate. This liability insurance shall include but shall not be limited to protection against claims arising from bodily and personal injury (including death resulting therefrom) and damage to property resulting from Consultant’s or subcontractor’s or subconsultant’s operations.

3. Occurrence-based Comprehensive or Business Owners Automobile Liability Insurance with limits not less than $1 million each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned and Non-owned and hired auto coverage, as applicable.

4. Professional Liability Insurance with limits not less than $1,000,000 each claim and $2,000,000 in the aggregate with respect to negligent acts, errors or omissions in connection with professional services to be provided under this Agreement, with deductible amounts reasonably acceptable to the SCPA. Acceptance of Consultant’s Insurance by SCPA shall not relieve or decrease the liability of Consultant hereunder. Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of the Consultant.

B. General Liability and Automobile Liability Insurance policies shall be endorsed to provide the following:

1. Name as Additional Insured SCPA, its Board of Supervisors, the individual members thereof, and all SCPA officers, agents, employees, and volunteers.

2. That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought, but the addition of one or more entities shall not affect the insurer’s limit of liability.

C. All policies shall be endorsed to provide thirty (30) days advance written notice to SCPA of cancellation, and certificates of all policies and endorsements shall be mailed to SCPA as provided in the Agreement per paragraph 17.1.3.

D. SCPA may, at its sole option, terminate this Agreement on 15 days’ notice to Consultant (but during such 15 day period Consultant has the opportunity to cure the default), in the event of any lapse of required insurance coverage. SCPA may, at its option, secure sufficient insurance coverage to replace any required insurance coverage which has lapsed, and Consultant hereby acknowledges its liability to reimburse SCPA for all costs associated with such replacement insurance coverage.
E. Insurance shall be maintained through an insurer and with deductible amounts acceptable to SCPA. Should any of the required insurance be provided under a claims-made form, Consultant shall maintain such coverage continuously or be ordinarily renewed throughout the term of this Agreement, without lapse, and shall provide a discovery period for a period of three years beyond the Agreement expiration, to the effect that, should occurrences during the Agreement term give rise to claims made within four-years after expiration of the Agreement, such claims shall be covered by such claims-made policies.

F. Certificates of insurance, in form and with insurers satisfactory to SCPA, evidencing all coverages above shall be furnished to SCPA before commencing any operation under this Agreement, with complete copies of policies promptly upon SCPA request.

G. Approval of the insurance by SCPA shall not relieve or decrease the liability of Consultant hereunder.

H. If Consultant is an association or partnership, the association or partnership shall be insured by any one of the following methods:

1. Separate insurance policies issued with the association or partnership as named insured.

2. All insurance policies required by this Agreement of one of the participants to include the association or partnership as named insured.

3. The association or partnership must be a named insured on all of the policies required by this Agreement.

I. If Consultant maintains higher limits than the minimums specified herein, SCPA is entitled to coverage for the higher limits maintained by Consultant.

END OF APPENDIX C
To: Sonoma Clean Power Authority Board of Directors

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

Issue: California Energy Commission EPIC Grant 17-304
Approve Commercial Terms for Lease of Energy Marketplace Space
and Authorize the CEO to Negotiate, Execute and Administer Final
Lease Agreement

Date: August 2, 2018

Requested Board Action

- Approve commercial terms for Lease of Energy Marketplace space as outlined in this Staff Report, including:
  - Approximately 9,435 +/- Sq. Ft of space located at 741 Fourth Street; and
  - Monthly rent ranging between $11,000 - $12,000 plus common area operating expenses, with an aggregate not-to-exceed base rental amount of $371,208 estimated for the initial three-year Lease term.

- Authorize the CEO to negotiate and execute a final Lease Agreement consistent with such commercial terms and in a legal form approved by the General Counsel; and

- Delegate to the CEO or his designee, the authority to execute on behalf of SCP, any documents necessary to administer such Lease (e.g. tenant estoppels, lender consents), provided such documents are in a legal form approved by the General Counsel.
Background

On November 30th, 2017, SCP applied for EPIC Grant 17-304 to provide just over $9.8 million in funding for programmatic strategies that could lead to a doubling of energy efficiency savings in existing buildings over a three-year period. The team’s proposal focused on a series of applied research projects evaluating emerging technologies such as phase-change materials, heat-pump water heaters, and advanced lighting controls in commercial buildings.

The bulk of the grant’s budget will go towards building out a physical Energy Marketplace, a storefront offering energy products, training, and contractor referrals. The marketplace will feature emerging technologies and established energy savings items that SCP customers could see, test, and directly buy. Additionally, the Marketplace will feature a series of technology-related training sessions for building inspectors, contactors, consumers, and energy consultants.

In June, the SCPA Board of Directors approved a contract with the California Energy Commission, including match funding of $3 million over the three year grant period.

After thorough review of 12 locations, SCP staff recommend entering into a lease for 741 4th Street. This commercial space is approximately 9,435 +/- Sq. Ft. The term of the lease will commence September 1, 2018 and run for three years, with an additional three 36-month options to extend the term of the lease, if Board wishes to do so in the future. The lease rate for this space will be:

- Year 1 base rent rate of $11,000 per month,
- Year 2 base rent of $11,500 per month,
- Year 3 base rent of $12,000 per month.

Across the three-year term, and considering the initial free-rent period, the average lease cost is $0.85 per square foot per month.

In addition to the lease rate, SCP will be responsible to pay its proportionate share of the Common Area Maintenance, Triple Net expenses and a deposit. Lessor shall provide SCP a Tenant Improvement Allowance in the form of a waiver of a total of eleven months of Base Rent.

Staff is seeking the Committee’s recommendation to the Board of Directors to approve the Energy Marketplace Lease of 741 4th Street Santa Rosa,
California for the total amount of $371,208 for the period of September 1, 2018 through August 31, 2021.

The building owner has proposed use of a standard form commercial lease, included as part of this Staff Report as an attachment. Staff anticipates that the final lease will be substantially in the form of this commercial form lease; however, staff recommends delegation of authority to the CEO for further negotiation to, among other possible revisions, better account for SCP’s status as a public agency, clarify agreements concerning planned tenant improvements, and incorporate more balanced tenant protections, where possible. For this reason, staff requests the Board approve the commercial terms above and delegate to the CEO the power to negotiate and execute the final lease, subject to SCP’s General Counsel’s approval of the Lease as to legal form.

Community Advisory Committee Review

The Committee met on July 24, 2018 and discussed the location, price, term, purpose and ultimately provided a unanimous recommendation to the Board to approve the lease terms and delegate power to execute a final lease to the CEO in consultation with the General Counsel.
FORM

NOTE: These forms are pre-printed to meet minimum requirements of law and industry needs. Always write or call to make sure you

[Text obscured]

317,000.00
311,500.00

The New Base Rent shall be increased on the following dates in the above and sub. page:

September 1, 2020
September 1, 2021

On Full in Favor of Landlord.

[Text obscured]

III. Frank Transfer Date(s)

The base rent shall be increased on the following dates on the above and sub. page:

[Text obscured]
In the event that any dispute arises, parties may submit the dispute to binding arbitration in New York, New York, in accordance with the rules of the American Arbitration Association. The prevailing party shall be entitled to receive an award of costs and reasonable attorneys' fees.
LEASE: Knight & Langstaff

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date hereof while

Installations in LESSOR’s Shopping Center is limited and controlled by LESSOR

sections of the property of which the right to use the common areas solely as a means of access and convenience to shoppers at the business

LESSOR: Knight & Langstaff

LESSEE: Somona Clean Power Authority

except the areas defined in Exhibit B to LESSOR

4. Wherein the prior written consent of LESSOR no person shall use any of the common areas for (a) Windmill paddles
Disclosure Requirement (Lease)

Date:    July 17, 2018

Lessor:   Kushins & Langendorf
Subject Property:    741 Fourth St. Santa Rosa Ca. 95404

Lessee:   Sonoma Clean Power Authority
Brokers:   Newmark Cornish & Carey and North Bay Property Advisors

Various laws, regulations and policies require us to disclose the following information:

1. **Alquist-Priolo Notification; Alquist-Priolo Special Earthquake Studies Zone Act:**
   The Property described above is or may be situated in a “Special Study Zone” as designated under the Alquist-Priolo Special Studies Zone Act, Sections 2621-2630, inclusive, of the California Public Resources Code; and, as such, the construction or development on the Property of any structure for human occupancy may be subject to the findings of a geologic report prepared by a geologist registered in the State of California, unless such report is waived by the city or county under the terms of that act. No representations on the subject are made by Lessor or by Cornish & Carey Commercial Newmark Knight Frank, or its agents or employees, and the Lessee should make his/her/its own inquiry or investigation.

2. **Notification re: National Flood Insurance Program:**
   The Property is or may be located in a Special Flood Hazard Area on United States Department of Housing and Urban Development (H.U.D.) “Special Flood Zone Area Maps”. Federal law requires that as a condition of obtaining federally related financing on most properties located in “flood zones”, banks, savings and loan associations, and some insurance lenders require flood insurance be carried where the property, real or personal, is security for a loan. This requirement is mandated by the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973. Cities or counties may have adopted building or zoning restrictions, or other measures which could affect the value of the property. Lessee should contact the city or county in which the property is located to determine any such restrictions. The extent of coverage available in this area and the cost of this coverage may vary, and for further information, Lessee should consult a lender or insurance carrier.

3. **Hazardous Wastes of Substances and Underground Storage Tanks:**
   Comprehensive federal and state laws and regulations have been enacted in the past several years in an effort to control the use, storage, handling, clean-up, removal and disposal of hazardous wastes or substances. Some of these laws and regulations (such as, for example, the Comprehensive Environmental Response Compensation and Liability Act (CERCLA)) provide for broad liability on the part...
Disclosure Requirement (Lease)

of owners, tenants or other users of the property for clean-up costs and damages regardless of fault. Other laws and regulations set standards for the handling of asbestos, and establish requirements for the use, modification, abandonment, and closure of underground storage tanks.

It is not practical or possible to list all such laws and regulations in this Notice. Therefore, Lessors and Lessees are urged to consult legal counsel to determine their respective rights and liabilities with respect to the issues described in this Notice, as well as all other aspects of the proposed transaction. If hazardous wastes or substances have been, or are going to be used, stored, handled or disposed of on the Property, or if the Property has or may have underground storage tanks, it is essential that legal and technical advice be obtained to determine, among other things, the nature of permits and approvals which have been obtained or may be required; the estimated costs and expenses associated with the use, storage, handling, clean-up, disposal or removal of hazardous wastes or substances; and the nature and extent of contractual provisions necessary or desirable in this transaction. Broker recommends expert assistance and site investigation to determine past uses of the property, which may provide valuable information as to the likelihood of hazardous wastes or substances, or underground storage tanks, being on the Property.

Lessor agrees to disclose to Broker and to Lessee any and all information which he/she/it has regarding present and future zoning and environmental matters affecting the Property and regarding the condition of the Property, including, but not limited to structural, mechanical and soils conditions, the presence and location of asbestos, PCB transformers, other toxic, hazardous or contaminated substances, and underground storage tanks, in, on, or about the Property.

Broker has conducted no investigation regarding the subject matter hereof, except as may be contained in separate written document signed by Broker. Broker makes no representations concerning the existence or nonexistence of hazardous wastes or substances, or underground storage tanks, in, on, or about the Property. Lessee should contact a professional, such as a civil engineer, industrial hygienist or other persons with experience in these matters, to advise on these matters.

The term “hazardous wastes or substances” is used herein in its very broadest sense and includes, but is not limited to, petroleum based products, paints and solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonium compounds, asbestos, PCBs and other chemical products. Hazardous wastes or substances and underground storage tanks may be present on all types of real property. This Notice is intended to apply to any transaction involving any type of real property, whether improved or unimproved.

4. The Americans With Disabilities Act:
Disclosure Requirement (Lease)

Please be advised that an owner or tenant of real property may be subject to the Americans with Disabilities Act (the ADA). The Act requires owners and tenants of “public accommodations” to remove barriers to access by disabled persons and provide auxiliary aids and services for hearing, vision or speech impaired persons. You are advised to consult your attorney with respect to the application of this Act to the Property. Cornish & Carey Commercial Newmark Knight Frank cannot give you legal advice on this Act or its requirements.

5. **Broker Disclosure:**
The parties hereby expressly acknowledges that Broker has made no independent determination or investigation regarding, but not limited to, the following: present or future use of the Property; environmental matters affecting the Property; the condition of the Property, including, but not limited to structural, mechanical and soils conditions, as well as issues surrounding hazardous wastes or substances as set out above; violations of the Occupational Safety and Health Act or any other federal, state, county or municipal laws, ordinances, or statutes; measurements of land and/or buildings. Lessee agrees to make its own investigation and determination regarding such items.

6. **Broker Representation (Dual Agency)**

xCHECK IF APPLICABLE. Lessor and Lessee acknowledge that Broker is the agent of both Lessor and Lessee. Lessor and Lessee hereby consent to such dual representation and waive any possible conflict of interest arising out of such dual agency. A dual agency is obligated to disclose to both parties all material facts or confidential information that could affect Lessor’s or Lessee’s decision to enter into the transaction. Broker, however, will not disclose to Lessee the price that Lessor is willing to accept, nor to Lessor the price that Lessee is willing to pay, without the express permission of the other party.

Receipt of a copy of this Notice and Agreement is hereby acknowledged.
Disclosure Requirement (Lease)

Acknowledged and Agreed:

Lessor:

Lessor: Kushins & Langendorf

By: ______________________________

Date: ______________________________

By: ______________________________

Date: ______________________________

Lessees: Sonoma Clean Power Authority

By: ______________________________

Date: ______________________________

By: ______________________________

Date: ______________________________

Broker: Newmark Cornish & Carey
2455 Bennett Valley Road, Ste C-200
Santa Rosa CA  95404

Barry Palma CA RE Lic # 00901364

Broker: North Bay Property Advisors 2777
Cleveland Ave Santa Rosa CA  95403

Nick Abbott CA RE Lic # 01525482

CONSULT YOUR ADVISORS: NO REPRESENTATION OR RECOMMENDATION IS MADE BY CORNISH & CAREY COMMERCIAL DBA NEWMARK CORNISH & CAREY OR ITS AGENTS OR EMPLOYEES AS TO THE LEGAL EFFECT, INTERPRETATION, OR ECONOMIC CONSEQUENCES OF THE NATIONAL FLOOD INSURANCE PROGRAM AND RELATED LEGISLATION, NOR OF OTHER LEGISLATION REFERRED TO HEREIN. THESE ARE QUESTIONS THAT YOU SHOULD ADDRESS WITH YOUR CONSULTANTS AND ADVISORS.
DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIPS
(As required by the California Civil Code)

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

SELLER’S AGENT
A Seller’s agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller’s agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Seller.
To the Buyer and the Seller: (a) Diligent exercise of reasonable skill and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

BUYER’S AGENT
A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Buyer.
To the Buyer and the Seller: (a) Diligent exercise of reasonable skill and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

AGENT REPRESENTING BOTH SELLER AND BUYER
A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer: (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer. (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction.

This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the California Civil Code contained on the following page. Read it carefully.

I ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CALIFORNIA CIVIL CODE ON THE FOLLOWING PAGE.

By: ________________________________ Date

Its: ________________________________

Agent: Cornish & Carey Commercial, a California Corporation dba Newmark Cornish & Carey BRE License Number 00832933

By: Barry Palma BRE License Number 00901364 Date

July 18, 2018
2079.13. As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) “Agent” means a person acting under a license to engage in real estate brokerage, and includes any person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) “Associate licensee” means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker’s agent in connection with acts requiring a real estate license and to function under the supervision of the broker’s agent. (c) “Commercial real property” means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 798) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 798.4. (d) “Dual agent” means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (e) “Listing agreement” means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (f) “Listing agent” means a person who has obtained a listing of real property to act as an agent for the owner. (g) “Listing price” is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (h) “Offering price” is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (i) “Offer to purchase” means a written contract executed by a buyer acting through a selling agent which becomes the contract for the sale of the real property upon acceptance by the seller. (j) “Real property” means any estate specified by subdivision (1) or (2) of Section 761 in property which constitutes or is improved with one to four dwelling units, any Commercial Real Property, any leasehold in these types of property exceeding one year’s duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (k) “Real property transaction” means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) “Sell,” “sale,” or “sold” refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year’s duration. (n) “Seller” means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. “Seller” includes both a vendor and a lessor. (o) “Selling agent” means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) “Subagent” means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 9 of Title 9. However, “subagent” does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

2079.14. Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgment of receipt from the seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement, (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the seller has not previously signed and acknowledged a disclosure form prepared by the listing agent (and acknowledgment of receipt obtained for the selling agent from the seller) by the listing agent, the selling agent shall present the disclosure form to the seller prior to presenting the seller with an offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the buyer receives an offer to purchase. (d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

2079.18. No selling agent in a real property transaction may act as an agent for the buyer only, when the listing agent is also acting as the listing agent in the transaction.

2079.19. The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship unless specifically prohibited by this article if the requirements of Sections 2079.14 and Section 2079.17 are complied with.

2079.20. Nothing in this article prevents an agent from selecting, as a condition of the agent’s employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

2079.22. Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

2079.23. A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

2079.24. Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.
CONFIRMATION OF REAL ESTATE AGENCY RELATIONSHIPS

The real estate relationships described below are hereby confirmed, as of July 17, 2018, in connection with the following:

☐ The purchase and sale of the real property located at

☒ The lease of the real property located at 741 Fourth St. Santa Rosa Ca. 95404

☐ Other: DESCRIBE ASSIGNMENT OR TRANSACTION

Cornish & Carey Commercial., a California Corporation dba Newmark Cornish & Carey (Agent for Seller):

is the agent of (check one):

☒ the seller exclusively; or

☐ both the buyer and seller.

North Bay Property Advisors (Agent for Buyer):

LEAVE BLANK IF SELLING AGENT IS THE SAME AS LISTING AGENT.
IF NOT, INSERT NAME OF SELLING AGENT, OR "NONE" IF THERE IS NO SELLING AGENT

is the agent of (check one):

☒ the buyer exclusively; or

☐ the seller exclusively, or

☐ both the buyer and seller.

I/WE ACKNOWLEDGE RECEIPT OF THE FOREGOING AND HEREBY CONFIRM AND CONSENT TO THE SAME.

Kushins & Langendorf

Buyer ☐ Seller ☒

By: ________________________________

Its: ________________________________

Date ______________________________

Sonoma Clean Power Authority

Buyer ☒ Seller ☐

By: ________________________________

Its: ________________________________

Date ______________________________

Agent: Cornish & Carey Commercial., a California Corporation dba Newmark Cornish & Carey

BRE License Number 00832933

By: ________________________________

Nick Abbott

Salesperson or Broker-Associate

BRE License Number 01525482

July 17, 2018

Date

Page 104 of 179
To: Sonoma Clean Power Authority Board of Directors  
From: Cordel Stillman, Director of Programs  
         Rachel Kuykendall, Program Manager  
Issue: Recommend contract for continuation of Energy Education Program  
Date: August 2, 2018  

Requested Board Action  
Approve a 2-year contract with the Sonoma County Water Agency to continue the Energy Education program.

Background  
Through the last academic year, SCP contracted with the Sonoma County Water Agency (Water Agency) to design and implement an energy education program. The opportunity to leverage the Water Agency’s existing staff, classrooms, relationships with the County’s schools, and curriculum development skills was attractive to SCP staff because it allowed relatively quick deployment of a school program with modest management requirements. An informal survey of local school teachers found that the Water Agency’s program is widely considered the best in the region.

Attached to this item is a report on the Water Agency’s activities for the duration of the contract period. The report shows that well over 10,000 students in Sonoma and Mendocino counties were reached by the various educational programs that were provided by this program. Reports from teachers are very positive, and staff feel the program has exceeded expectations.

SCP staff are therefore recommending that we continue the program for an additional two years. The contract before you maintains the existing funding
level of $275,000 per year. The second year of the contract (again $275,000) will be contingent on the SCP Board of Directors approval of the fiscal year 2019/2020 budget. Staff are also requesting that the contract effective date be July 1, 2018 as Water Agency staff have been incurring expenses in preparation for the next academic year.

Community Advisory Committee Recommendation

The attached progress report and this contract were reviewed by the Community Advisory Committee members. The Committee noted the strong performance and relatively low cost per student for this outreach and education. The Committee voted unanimously to recommend approval of the contract to the Board.
Energy Education Classroom Presentations

1. 3rd Grade - Water and Energy

Content

The third grade program has been in place for many years and consists of two, one-hour classroom visits. The first lesson focuses on where our drinking water comes from, water conservation, and storm drain pollution. Beginning in 2018, the second lesson was changed to cover renewable energy and climate change. The new lesson focuses on the connection between water use and the energy needed to pump and move it. Through hands on activities with coal and solar panels, students learn about nonrenewable and renewable forms of energy and the connection to the human enhanced greenhouse effect and global warming. Time is spent at the conclusion of the lesson discussing ways to save water and energy at home. Students received cotton backpacks with the SCP logo on the back.

Schools Scheduled

This program is only available to schools within the Water Agency’s service area. Thirty-one schools received the lesson with a total of 1,775 students.

Table 1. Classes visited for the 3rd Grade - Water and Energy Program

<table>
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<tr>
<th>County</th>
<th>Town or City</th>
<th># of Schools</th>
<th># of Classes</th>
<th># of Students</th>
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<td>Santa Rosa</td>
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<td>35</td>
<td>777</td>
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<td></td>
<td>Rohnert Park</td>
<td>3</td>
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</table>
Content
In this new 75-minute classroom presentation, students learned that electricity is generated from different sources of energy and that some are renewable and others are nonrenewable. Students handled a piece of coal to illicit curiosity and conversation about fossil fuels and the connection between their combustion and the release of carbon dioxide into the atmosphere. Graphics were used to illustrate the greenhouse gas effect and the impacts of rampant greenhouse gas emissions on global temperatures. Students learned that a warming earth is connected to sea level rise, more frequent and extreme weather events and changes to the abundance and distribution of plants and animals. Students learned that renewable sources of electricity generation include solar, wind, hydroelectric, and geothermal. Students worked outside in small groups to connect a solar panel to a motorized fan. Students experimented with different materials to help understand how the electrical output of solar panels changes under cloudy conditions, at night, and with reflection. The lesson concluded with a conversation about the steps students can take to reduce the use of fossil fuels like saving water, walking to school, using less plastic, changing a light bulb, and monitoring the temperature inside their refrigerator.

The 4th grade lesson was designed to provide content aligned with the Next Generation Science Standards (NGSS)-a set of standards adopted by the State of California to improve science education for all students. The two subject areas within NGSS that this lesson supports are 1. Energy and 2. Earth and Human Activity. There are also specific Scientific and Engineering Practices that were integrated into the lesson such as: asking questions, developing and using models, planning and carrying out investigations, and constructing explanations.

At the conclusion of the lesson, all students received cotton backpacks with the SCP logo. A subset of students also received 9W LED lightbulbs, refrigerator thermometers with SCP logo, low-water use showerheads, faucet aerators, flow rate bags and dye –tablets for toilet leak detection as part of a take-home water and energy audit that is still in development.

Prior to each lesson, teachers received a confirmation email along with a 3-page document providing information about Sonoma Clean Power, goals of the lesson, a brief overview of the topics covered during the lesson and links to videos and websites related to renewable energy, climate change, and electricity.

Outreach
In August 2017, the 4th grade presentation was advertised in our Water Education Program Brochure 2017-2018. Two-thousand, seven-hundred and forty-six brochures were mailed to 190 schools within the Water Agency’s Service Area. In addition, a flier highlighting energy
education programs was mailed to 88 schools outside of the Water Agency’s Service Area in Sonoma County and Mendocino County. Emails were sent to all 4th grade teachers in Sonoma and Mendocino Counties with information about the class presentation and a link to sign up. The program was listed on the Water Agency’s website within the Water Education section.

**Schools Scheduled**

Eighteen schools were visited between January and May 2018, four were located in Mendocino County and fourteen in Sonoma County. A summary of the location and numbers of students is detailed in Table 2 below.

**Table 2. Classes visited for the 4th Grade–Renewable Energy-Be Part of the Climate Change Solution! Program**

<table>
<thead>
<tr>
<th>County</th>
<th>Town or City</th>
<th># of Schools</th>
<th># of Classes</th>
<th># of Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sonoma</td>
<td>Santa Rosa</td>
<td>8</td>
<td>16</td>
<td>466</td>
</tr>
<tr>
<td></td>
<td>Rohnert Park</td>
<td>1</td>
<td>1</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>Petaluma</td>
<td>1</td>
<td>6</td>
<td>151</td>
</tr>
<tr>
<td></td>
<td>Cotati</td>
<td>1</td>
<td>1</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>Windsor</td>
<td>1</td>
<td>7</td>
<td>208</td>
</tr>
<tr>
<td></td>
<td>Cloverdale</td>
<td>1</td>
<td>4</td>
<td>112</td>
</tr>
<tr>
<td></td>
<td>Occidental</td>
<td>1</td>
<td>1</td>
<td>30</td>
</tr>
<tr>
<td><strong>Subtotal</strong> &amp;</td>
<td>&amp; 14 &amp; 36 &amp; 1049 &amp;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mendocino</td>
<td>Boonville</td>
<td>1</td>
<td>2</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>Fort Bragg</td>
<td>1</td>
<td>4</td>
<td>112</td>
</tr>
<tr>
<td></td>
<td>Mendocino</td>
<td>1</td>
<td>2</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>Potter Valley</td>
<td>1</td>
<td>3</td>
<td>69</td>
</tr>
<tr>
<td><strong>Subtotal</strong> &amp;</td>
<td>&amp; 4 &amp; 11 &amp; 280 &amp;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>&amp; 18 &amp; 47 &amp; 1329 &amp;</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Evaluations**

Following the lesson, teachers received an email thanking them for their participation and a link to an online evaluation form. Thirty-three out of forty-seven teachers responded. The evaluations were all positive. There was consensus the hands on activities was the part they liked most and it was suggested the lesson be broken into two visits or one longer presentation. All but one respondent were “absolutely” interested in a repeat visit next year. Here is a quote from one evaluator, “The program was excellent. One of the best I have ever had in my classroom in 22 years of teaching. However, it is a long lesson-my suggestion is to have the lesson in two 45 minute periods over two days…it would give us more time for the solar experiments and for closure of the lesson.”
Field Trip
As part of the 4th grade program, two classes (60 students) from Kawana Springs Elementary School were chosen to participate in a field trip to the Sonoma County Landfill followed by a vegetarian lunch at Amy’s Drive-Thru. Students learned about the connection between the landfill and greenhouse gas emissions, the importance of recycling, composting, plastic pollution, and the use of landfill gas to generate electricity. Amy’s Drive-Thru was chosen as a destination to expose students to a local fast-food restaurant who is operating with climate change in mind and reducing its greenhouse gas emissions in a number of different ways including the use of renewable energy to power its business.

3. Water Awareness Poster Contest
The Water Agency and the Sonoma-Marin Saving Water Partnership host an annual art contest for students in grades 3-6 and the winning artwork is printed in a Water Awareness Calendar and distributed to all teachers within the Water Agency’s Service Area. Teachers sign up and receive blank poster boards that students use to create a colorful work of art and slogan encouraging water conservation. This year we added an energy-related theme for 4th graders, *Save Water to Save Energy!* Twenty-three fourth grade teachers from 15 schools with a total of 548 students participated. The artwork of two fourth grade students was chosen for the calendar and is included as a separate attachment.

4. Teacher Workshop-Climate Literacy and Understanding Global Change
On December 1, 2017 the Water Agency hosted a teacher workshop on climate change at our Westside Education Center. Twenty-five teachers attended. Half of the teachers were from local area high schools and the rest were from middle and elementary schools. A few participants were informal educators from local non-profit organizations like LandPaths and Sonoma Ecology Center. Jessica Bean from UC Berkeley shared resources about the greenhouse effect and datasets explaining the causes of global change, and demonstrated how to support student understanding of complex processes through the use of Earth system models for activities, discussions, and assessments. Amy Jolly, from the Center for Climate Protection focused on involving students in solutions to climate change and incorporating STEM projects.

5. ZunZun Musical Assembly Program
Zunzun is a musical assembly that uses humor and music in a lively, interactive show that teaches elementary school students about water conservation, storm drain pollution, climate change, and where local drinking water comes from. During the 2017-2018 school year, the
Water Agency requested topics related to energy and climate change be added to the content of their shows.

### Table 3. Schools visited by the ZunZun musical assembly program.

<table>
<thead>
<tr>
<th>County</th>
<th>Town or City</th>
<th># of Schools</th>
<th># of Assemblies</th>
<th># of Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sonoma</td>
<td>Santa Rosa</td>
<td>10</td>
<td>15</td>
<td>4152</td>
</tr>
<tr>
<td></td>
<td>Rohnert Park</td>
<td>3</td>
<td>5</td>
<td>1029</td>
</tr>
<tr>
<td></td>
<td>Petaluma</td>
<td>4</td>
<td>4</td>
<td>1200</td>
</tr>
<tr>
<td></td>
<td>Cotati</td>
<td>1</td>
<td>1</td>
<td>450</td>
</tr>
<tr>
<td></td>
<td>Sonoma</td>
<td>2</td>
<td>3</td>
<td>412</td>
</tr>
<tr>
<td></td>
<td>Windsor</td>
<td>2</td>
<td>4</td>
<td>951</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td><strong>22</strong></td>
<td><strong>32</strong></td>
<td><strong>8194</strong></td>
</tr>
<tr>
<td>Mendocino</td>
<td>Fort Bragg</td>
<td>2</td>
<td>4</td>
<td>887</td>
</tr>
<tr>
<td></td>
<td>Potter Valley</td>
<td>1</td>
<td>1</td>
<td>170</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td><strong>3</strong></td>
<td><strong>5</strong></td>
<td><strong>1057</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>25</strong></td>
<td><strong>37</strong></td>
<td><strong>9251</strong></td>
</tr>
</tbody>
</table>

### 6. Job Shadow

During the 2017-2018 school year, two students participated in the job shadow program with a focus on energy related work. Each student shadowed Hannah Salafia, an engineer in the Energy Resources section of the Water Agency. Students observed the activities involved in her typical day at work.

### Outreach

The job shadow program was advertised in the *Water Education Program Brochure 2017-2018*. Two-thousand, seven-hundred and forty-six brochures were mailed to 190 schools within the Water Agency’s Service Area. In addition, a flier highlighting the energy education programs was mailed to 88 schools outside of the Water Agency’s Service Area in Sonoma County and in Mendocino County. The program was listed on the Water Agency’s website within the Water Education section.

### 7. Cartoon Map of Renewable Energy Projects in SCP Service Area

The Water Agency worked with an artist to develop a cartoon map of Sonoma and Mendocino Counties highlighting renewable energy projects in the region. The map is complete and SCP is in the process of printing the map so it can be used as a giveaway at
outreach events and for the Water Education Program to distribute to classrooms teachers through our materials program.
AGREEMENT FOR ENERGY EDUCATION PROGRAM

This Agreement for Professional Services ("Agreement"), dated as of July 1, 2018 ("Effective Date") is made by and between the Sonoma Clean Power Authority ("SCPA"), a California joint powers authority, and the Sonoma County Water Agency ("Water Agency"), a body corporate and politic of the State of California. SCPA and Water Agency may be individually referred to as a "Party" or collectively as "Parties."

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

2. **Performance Standard**: Water Agency warrants that it possesses the necessary training, experience and skill to competently and professionally provide the services described in Exhibit A.

3. **Staffing and Coordination**: Water Agency shall cooperate, and closely coordinate, with SCPA staff in providing all services under this Agreement. Ryan Pedrotti (Key Staff) is deemed by SCPA to be a key person whose services were a material inducement to enter into this Agreement. Key Staff shall oversee and manage all services performed by Water Agency.

4. **Payment**: Water Agency shall submit one invoice for each calendar month in which services are performed. Invoices shall be signed by Key Staff, include copies of receipts for pre-approved reimbursable expenses, and contain the following detail for each billable entry:
   a. Date
   b. Detailed description of work performed and person(s) involved
   c. Time spent in 1/10th hour increments

   Upon receipt of properly prepared invoicing, SCPA shall pay Water Agency within 30 calendar days for services provided in accordance with this Agreement, applying the following rates:
   a. Water Agency shall be paid current weighted labor rates, including overhead, for Water Agency staff performing work under this Agreement plus actual costs of applicable materials. Weighted labor rates as of May 1, 2018, are listed in Exhibit A (Scope of Work). Rates are subject to change.
   b. Reimbursable expenses must be pre-approved by SCPA.

   In no event shall the amount payable for services performed during the term of this Agreement exceed $275,000.

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. Water Agency understands and agrees that funding for costs under this Agreement after July 1, 2019, is subject to approval by SCPA's
Board of Directors of a budget including such funding, and that SCPA may terminate this Agreement pursuant to Section 6 below if such funding is not approved.

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 Water Agency fail to perform any of its obligations or violate any of the terms of this Agreement (Termination for Cause), SCPA may, upon providing Water Agency written notice stating the reason for termination, immediately terminate this Agreement. In the event of termination, Water Agency, 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:** Each party shall indemnify, defend, protect, hold harmless, and release the other, its officers, agents, and employees, from and against any and all claims, loss, proceedings, damages, causes of action, liability, costs, or expense (including attorneys’ fees and witness costs) arising from or in connection with, or caused by any act, omission, or negligence of such indemnifying party or its agents, employees, contractors, subcontractors, or invitees. This indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages or compensation payable to or for the indemnifying party or its agents, employees, contractors, subcontractors, or invitees under workers’ compensation acts, disability benefit acts, or other employee benefit acts.

8. **Insurance:** Water Agency shall maintain insurance and/or self-insurance as described below unless such insurance has been expressly waived in writing by SCPA.
   a. 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 Water Agency maintains higher limits than the specified minimum limits, SCPA requires and shall be entitled to coverage for the higher limits maintained by Water Agency.
      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. Water Agency is responsible for any deductible or self-insured retention and shall fund it upon SCPA's written request, regardless of whether Water Agency 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 Water Agency 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 Water Agency 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 Water Agency currently owns no autos, Water Agency 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. Water Agency 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. Water Agency 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. Water Agency's indemnity and other obligations shall not be limited by these insurance requirements.

9. **Status of Water Agency:** Water Agency, 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 Water Agency work as an agent or employee of SCPA and at no time shall Water Agency 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, Water Agency 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:** Water Agency 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. Water Agency also warrants that it is not suspended or debarred from receiving federal funds as listed in the List of Parties Excluded from Federal Procurement or Non-procurement Programs issued by the General Services Administration.

11. **Taxes:** Water Agency agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement. Water Agency 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. Water Agency 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 Water Agency'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, Water Agency agrees to, in a timely fashion, furnish SCPA with proof of payment of taxes on these earnings.

12. **Records Maintenance:** Water Agency 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. Water Agency shall maintain such records for a period of five (5) years following the expiration or termination of this Agreement.

13. **Conflict of Interest:** Water Agency 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 Water Agency’s performance under this Agreement. Water Agency further warrants that
in the performance of this Agreement no person having any such interests shall be assigned by Water Agency to perform work under this agreement nor be given access to the information described in Section 16. Water Agency shall comply with any and all applicable California Fair Political Practices Act requirements.

14. **Statutory Compliance:** Water Agency 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, Water Agency 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 Water Agency under this Agreement shall be deemed confidential (“Confidential Information”). Unless SCPA provides written permission, Water Agency is compelled by a court of law or regulatory agency, the California Public Records Act, or Water Agency obtained Confidential Information from a source or sources other than SCPA, Water Agency shall not share Confidential Information with any other person or entity outside of SCPA staff and SCPA authorized representatives. Water Agency 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 Water Agency or Water Agency’s subcontractors, Water Agency, 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, Water Agency 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:
19. **No Waiver of Breach:** The waiver by either party 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.

Reviewed as to funds:  

By: ________________________________  
Water Agency Division Manager - Administrative Services

Approved as to form:  

By: ________________________________  
By: ________________________________  
Adam Brand, Deputy County Counsel  
General Counsel

Sonoma County Water Agency  

By: ________________________________  
Grant Davis  
General Manager

Sonoma Clean Power Authority, a California joint powers authority  

By: ________________________________  
Geof Syphers  
Chief Executive Officer

Authorized per Water Agency’s Board of Directors Action on August 14, 2018

Date: ________________________________  
Date: ________________________________
Exhibit A

Scope of Work

2. Implement and refine fourth grade classroom program: Renewable Energy-Be Part of the Climate Change Solution!
3. Incorporate climate change and energy efficiency into ZunZun assembly program.
4. Conduct Climate Literacy and Understanding Global Climate Change teacher workshop.
5. Implement and refine third grade classroom program, which covers the water energy nexus and how an increase in greenhouse gases lead to climate change.
6. Add energy efficiency theme to third-to-sixth grade poster contest. Sonoma Clean Power and energy information will be featured in the 2019 calendar.
7. Implement careers in the water and energy industry program. Explore job shadow opportunities.
8. Incorporate water/energy nexus into fifth grade classroom and field trip program.
9. Develop giveaway items exploring the water and energy nexus.
10. Develop end of year report.

Services under this Agreement shall be billed at the following hourly rates:

- Water Education Program Manager: (PM) $174.55
- Water Education Senior Program Specialist (SR PS): $143.34
- Water Education Program Specialist: (PS) $133.81
- Water Education Resource Technician II: (TECH II) $48.04
- Water Education Resource Technician I: (TECH I) $44.04

1. Market energy education programs in existing water education brochure

The Water Agency will distribute a brochure to every teacher in its service area highlighting the programs SCPA offers. Energy education programs will be included in this brochure. A flyer will be created and distributed to schools outside the Water Agency service area and within the SCPA service area. Webpages for energy education programs will be created and maintained on the Water Agency education program website.

Brochure development:
Sr. PS 80 hours at $143.34= $11,500
Material costs for printing one page flyer for Sonoma and Mendocino counties outside Water Agency service area: $2,500

Total: $14,000
2. **Implement and refine fourth grade classroom program: Renewable Energy-Be Part of the Climate Change Solution!**

The fourth grade program aims to visit at least 1,500 students in the 2018/2019 school year and will cover the following content:

- Students learn that electricity is generated from different sources and that renewable sources such as solar, wind, and geothermal are choices that will reduce our impact on Earth’s changing climate.
- Students make scientific observations and ask questions to help them build their understanding of the concepts.
- Students learn that there are things we can all do to reduce the use of fossil fuels like saving water, walking to school, and changing a light bulb.

Water Agency is working to develop supplemental curriculum to enhance this lesson so students can bring information to their parents and take steps at home. Supplemental curriculum includes an at home water and energy audit and field trip opportunities to local Green Businesses (Amy’s Kitchen was the destination in 2018).

Program and supplemental curriculum development, assessment, and evaluation:

SR PS 50 hours at $143.34 = $7,200
PM 20 hours at $174.55 = $3,250
PS 70 hours at $133.81 = $9,500

Implementation and training:

PS 300 hours at $133.81 = $40,000
TECH 300 hours at 44.04 = $13,000

Materials and transportation = $30,000
Materials may include light bulbs, showerheads, solar panels, and energy efficient handouts and lesson materials for visual aids. Transportation may include contracted bus service to transport students to field trip site.

Total: $102,950

3. **Incorporate climate change and energy efficiency into ZunZun assembly program**

Water Agency contracts with ZunZun, a multilingual, musical assembly program, to provide assemblies for 10,000 K-6 students annually. Each year Water Agency meets with ZunZun to develop the content for the upcoming assembly program and concepts such as energy efficiency, climate change, and fuel switching will be included in the program.
30 performances for $34,250 (half the content in the 45 minute presentation will be energy-related: energy efficiency, climate change, etc. SCPA will pay one-half of total cost of 25 performances.

Total: $17,125

4. Conduct Climate Literacy and Understanding Global Change teacher workshop

Partner with the Center for Climate Protection and UC Berkeley to offer a teacher workshop. Understanding Global Change is a workshop developed by the UC Berkeley Museum of Paleontology to help teachers implement curriculum covering climate and global change. The focus of the content is how the climate is intricately linked to all living things and natural cycles on the globe, the carbon and water cycles included. A Water Agency educator has been trained on how to implement the workshop for teachers in the Water Agency and SCPA service areas. Teachers who participate in the workshop gain access to online resources and lesson plans.

Workshop preparation, marketing, and implementation:

SR. PS 100 hours at $143.34 = $14,500
TECH 40 hours at $44.04 = $1,700

Total: $16,200

5. Implement and refine third grade classroom program, which covers the water energy nexus and how an increase in greenhouse gases lead to climate change.

Water Agency’s third grade program consists of two lessons, the first covering storm drain pollution and water conservation and the second covering energy. Annually, Water Agency visits 2,500 students with this program and is looking to develop supplemental curriculum. Lesson two objectives include:

- It takes energy (electricity) to get water to your home/school. (water energy nexus)
- The difference between renewable energy sources and non-renewable energy sources.
- Difference between weather and climate.
- Climate Change means the planet is getting warmer because of more greenhouse gases.
- Personal choices to reduce greenhouse gas emissions can help mitigate climate change.

Program and supplemental curriculum development, assessment, and evaluation:

SR PS 100 hours at $143.34 = $14,400
PS 100 hours at $133.81 = $13,400
PM 20 hours at $174.55 = $3,500

Implementation and training:

SR PS 120 hours at $143.34 = $17,250
TECH 200 hours at $44.04 = $8,500
Materials = $10,000.
Materials may include light bulbs, showerheads, solar panels, and energy efficient handouts and lesson materials for visual aids.

Total: $67,000

6. **Add energy efficiency theme to third to sixth grade poster contest. Sonoma Clean Power and energy information will be featured in the 2019 calendar.**

   Each year Water Agency conducts a poster contest for over 3,000 third and fourth grade students. Water Agency would like to expand the contest to include fifth and sixth grade and have specific themes for each grade. For example, the fourth grade theme would be Saving Water, Saves Energy. This theme would supplement the existing fourth grade classroom program. Winning poster are made into Water Agency’s Water Awareness Calendar that is distributed to over 5,000 teachers and students throughout Sonoma and Marin counties. This distribution can be expanded into SCPA’s service area as well.

   Calendar and poster contest development and management:

   SR PS 100 hours at $143.34 = $14,400
   Materials (poster paper and an expansion of calendars purchased): $7,600

   Total: $22,000

7. **Add energy careers to careers in water industry presentation. Explore job shadow opportunities**

   Currently, Water Agency has a presentation geared at high school and college students exploring careers in the water industry. The presentation highlights a few careers and has students work through real world scenarios someone in this position may encounter. A job shadow opportunity is available as well. Water Agency will highlight careers in the energy industry and coordinate job shadows with SCPA staff. The Energy Saves Schools Program is a great resource to expose high school students to STEM careers and how students can make a tangible difference in their energy usage. Water Agency will explore hosting an outdoor summer academy for middle and high school students at the Westside Water Education Center. Students will conduct citizen science
projects where they explore the topics of water quality, drinking water treatment, the water and energy nexus, renewable energy projects, and the impacts of climate change on our region.

Program development:
PS 50 hours at $133.81 = $6,700

Program Implementation:
PS 50 hours at $133.81 = $6,700

Total: $13,400

8. Incorporate water/energy nexus into fifth grade classroom and field trip program.

Water Agency’s existing fifth grade program reaches 3,500 students annually through a classroom visit and field trip. Water Agency will introduce the connection between water and energy during the classroom visit. During the field trip students will visit the collector well that pulls their drinking water from 100 feet below the Earth’s surface.

Program development:
PS 50 hours at $133.81 = $6,700

Program Implementation:
PS 50 hours at $133.81 = $6,700
TECH 200 hours at $44.04 = $8,500

Total: $21,900

9. Develop giveaway items exploring the water and energy nexus.

Water Agency will redesign the ruler currently given away to roughly 15,000 students annually to explain how saving water saves energy and include the Water Agency and SCPA logos. Water Agency currently gives away magnetic clips to third grade teachers when delivering a lesson in their classroom (the clip holds our Water Agency’s informational packet together). Water Agency will redesign the clip to say “Saving Water Saves Energy” and have both logos on it. Water Agency will give this item away to teachers in Water Agency’s classroom programs: Kindergarten, third, fourth, and fifth grades.

Materials (half the cost of rulers and magnetic clips): $2,200

Material development:
PS 10 hours at $133.81 = $1,300
10. **Develop end-of-year report**

The report will detail programs implemented, content covered, number of students/classes/schools visited and will be provided to SCPA by June 30, 2019. It will include teachers trained and number of ZunZun performances.

**Program evaluation report:**

PM 20 hours at $174.55 = $3,500

**Grand total: $275,000**
Fiscal Year 18/19

CERTIFICATE OF SELF-INSURANCE

Covered Entities:
County of Sonoma
Sonoma County Agriculture Preservation and Open Space District
Sonoma County Community Development Commission
Sonoma County Fair and Exposition, Inc.
Sonoma County Water Agency

575 Administration Dr., 116-C
Santa Rosa, CA 5403-2881

<table>
<thead>
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<td>Property</td>
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<td>Replacement cost value</td>
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Description of Operations/Locations/Vehicles/Special Items:
As Regards Agreement for Energy Education Program TW 17/18-125, July 1, 2018 to June 30, 2019

The Certificate Holder is an additional covered party to the extent required by the indemnification provisions of the above referenced contract. This shall apply to claims, costs, injuries or damages but only in proportion to and to the extent such claims, costs, injuries or damages are caused by or result from the negligent acts or omissions of the Covered Entities shown on this certificate.

The Covered Entities agree to waive recovery rights against the Certificate Holder with respect to the above referenced contract if required in writing in the contract.

Certificate Holder
Sonoma Clean Power Authority Attn:
Contract Administration 50 Old Courthouse Sq. Ste. 605 Santa Rosa, CA 95404

Authorized Representative
County of Sonoma Risk Manager
575 Administration Drive, Suite 116C
Santa Rosa, CA 95403
Staff Report – Item 09

To: Sonoma Clean Power Authority Board of Directors

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

Issue: Provide feedback on SCP’s Draft 2018 Integrated Resource Plan

Date: August 2nd, 2018

Requested Board Action

Provide input on the draft Integrated Resource Plan.

Background

This IRP is the next evolution of SCP’s resource planning process, following work between 2015 and early 2018 by staff with the Business Operations Committee and later with an ad hoc committee of the Community Advisory Committee. Its content builds on that earlier work and includes more description of how SCP can support statewide planning processes.

This IRP identifies the necessary resources to serve customer needs through 2030. It differs from the CPUC’s requested IRP under D.18-02-018 in that it contains SCP’s best available information on actual load and generation, and important information about SCP’s goals and vision. SCP staff plans to share a draft with SCP’s Board of Directors on August 2nd and once again in September, before posting a final version on its website.
A few highlights from SCP’s 2018 IRP include the following:

- SCP is on track to reach its own ambitious greenhouse gas (GHG) emissions intensity target of 75 lbs CO2e/MWh (0.034 MT CO2e/MWh) by 2030, and 50% qualifying renewable sources by 2020, ten years ahead of California requirements. The chart below shows SCP’s current resources (i.e., resources under contract or in active negotiation) as well as SCP’s planned resources (i.e., additional resources that SCP plans to procure through 2030).

- While a low-carbon mix of power sources is essential, the use of electricity to displace gasoline in cars and natural gas in buildings (sometimes called “electrification” or “fuel shifting”) should be prioritized at an even higher level in California. SCP is working to facilitate the reduction of total greenhouse gas (GHG) emissions across all sectors, for example with programs to rebuild burned homes with 24/7 renewable sources and no natural gas, bulk discounts on electric vehicles, and construction of an “Energy Store” where customers can purchase zero carbon technologies.

- Near-term grid reliability will require multi-year local resource adequacy (RA) obligations and upfront procurement of resources with local market power.

- Energy affordability through 2030 will require deep customer engagement to reduce expensive and high-GHG evening energy usage, and to use smart-grid devices to avoid costly utility investments.

- Concerns over the financial ability of CCAs to contract for new resources appears to be unfounded, and in any case, hasn’t impacted SCP’s ability to procure resources.
CCAs working with their local public agencies have the potential to add low-cost and high-value electric vehicle charging infrastructure to supplement IOU activities. Local agencies have detailed maps of locational needs, including disadvantaged community access sites, and some have developed maps of excess grid capacity that have the potential to avoid significant grid upgrade costs.

**Input from the Community Advisory Committee**

The Committee reviewed the draft and held a discussion about the practical content of the IRP (e.g., load forecasts and power supply sources) and the leadership content (e.g., recommendations for California energy policy). The content in the Executive Summary was discussed, and staff explained the rationale for many of the “Important Findings” there.

For example, #4 states, “Concerns over the financial ability of CCAs to contract for new resources appears to be unfounded, and in any case, hasn’t impacted SCP’s ability to procure resources.” Staff explained the importance of this finding in response to comments from IEP and the CPUC that CCAs are not able to contract for new renewable sources. The report then details how SCP has been able to complete the purchase of renewable energy in every case that it issued a solicitation.

The Committee asked for clarification on two items, and generally noted that the report is excellent and appears to be consistent with SCP’s work. Because of the length and complexity of the IRP, some Committee members are sending written comments directly to staff.

**Questions for the Board to consider:**

1. Does the Board continue to agree that requesting the CPUC use this IRP for all statewide planning makes sense (rather than the compliance filing of Appendix A)?
2. Does the Board find the IRP complete, clear, and useful for planning purposes?
3. Does the Board agree that the content of the IRP is consistent with SCP’s joint powers authority?
4. Does the Board agree that going beyond the traditional IRP scope is appropriate, including identifying how SCP and other electricity providers should support statewide efforts to “maintain affordability and reliability while solving the climate crisis?”
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1. Executive Summary

Sonoma Clean Power Authority (SCP) is a public power provider operating as a community choice aggregator (CCA) and the default electricity provider for Sonoma and Mendocino Counties. SCP exists to provide broad public benefits relating to affordability, reliability, climate change and sustainability, coordination with local agencies, customer programs, and to support the local economy.

This Integrated Resource Plan (IRP) identifies the necessary resources to serve customer needs through 2030. It differs from the CPUC’s requested IRP under D.18-02-018 in that it contains SCP’s best available information on actual load and generation, and important information about SCP’s goals and vision. SCP’s Board of Directors has directed staff to file the CPUC’s mandated compliance IRP (see Appendix A), however the Board requests that all statewide planning be based on the more accurate information contained in this IRP. More detail on the differences can be found in Appendix A. Many thanks to Community Advisory Committee and its ad hoc group for working with staff on early versions of the IRP.

Important conclusions from SCP’s planning process include:

1. While a low-carbon mix of power sources is essential, the use of electricity to displace gasoline in cars and natural gas in buildings (sometimes called “electrification” or “fuel shifting”) should be prioritized at an even higher level in California. SCP is working to facilitate the reduction of total greenhouse gas (GHG) emissions across all sectors, for example with programs to rebuild burned homes with 24/7 renewable sources and no natural gas, bulk discounts on electric vehicles, and construction of an “Energy Store” where customers can purchase zero carbon technologies.

2. Near-term grid reliability will require multi-year local resource adequacy (RA) obligations and upfront procurement of resources with local market power.

3. Energy affordability through 2030 will require deep customer engagement to reduce expensive and high-GHG evening energy usage, and to use smart-grid devices to avoid costly utility investments.

4. Concerns over the financial ability of CCAs to contract for new resources appears to be unfounded, and in any case, hasn’t impacted SCP’s ability to procure resources.

5. CCAs working with their local public agencies have the potential to add low-cost and high-value electric vehicle charging infrastructure to supplement IOU activities. Local agencies have detailed maps of locational needs, including disadvantaged community access sites, and some have developed maps of excess grid capacity that have the potential to avoid significant grid upgrade costs.

6. Solutions to system reliability will accelerate dramatically when the actual smart meter data is used for all customers and public access is provided to all real-time distribution grid data.

7. As illustrated by the following chart, SCP’s load is expected to remain relatively stable through the planning horizon with a 0.13% decrease in load. Moving from left to right, the 2019 “Base” year forecast load increases by 2.49% from population and rebuilding and by 6.03% from electric vehicles. This increase in forecast load is offset by a projected decrease in load of 2.78% from energy efficiency and 5.88% from Behind-the-Meter (BTM) solar. The total net decrease in load from the “Base” year to 2030 is 0.13%.
8. SCP’s peak load is expected in September and is forecast to decline slightly from 580 MW in 2017 to 558 MW in 2030 and is forecasted to shift further into the evening, as electric vehicles are returning to residences to be charged.

9. SCP is on track to reach its own ambitious greenhouse gas (GHG) emissions intensity target of 75 lbs CO₂e/MWh (0.034 MT CO₂e/MWh) by 2030, and 50% qualifying renewable sources by 2020, ten years ahead of California requirements. In 2017, SCP’s estimated emissions (not yet third-party verified) totaled 134 lbs CO₂e/MWh (0.06 MT CO₂e/MWh), and SCP’s qualifying renewable sources totaled 45%. The chart below shows SCP’s current resources (i.e., resources under contract or in active negotiation) as well as SCP’s planned resources (i.e., additional resources that SCP plans to procure through 2030).
CCAs are rapidly establishing themselves as renewable energy providers, sources for cutting edge programs in carbon reduction and sustainability, and trusted local community partners across California. SCP plays an important role in the governance of the statewide CCA association, CalCCA. SCP’s CEO currently serves as the Legislative Liaison and Vice President of the organization, and SCP’s regulatory, compliance, marketing and power services staff serve on key committees. CalCCA is playing a key role in sharing best practices, educating lawmakers about this new form of public power and encouraging new CCAs to better manage risks and evolve quickly.
2. Introduction to Sonoma Clean Power

A. Purpose

The Sonoma Clean Power Authority (SCP) is a public agency created in 2012 to provide broad public benefits in energy, climate and the economy. As a Community Choice Aggregator or “CCA,” it provides public benefit investments and programs, and is the default electricity provider to customers in Sonoma and Mendocino Counties. SCP was created to provide customers with stable, affordable rates while working to solve the climate crisis. SCP’s goals include:

1. Rate stability and affordability. SCP seeks to reduce the volatility of customer electric bills through conservative contracting (i.e., managed risk), diverse portfolios of sources and suppliers, and rate-setting practices to reduce the frequency and magnitude of large swings in customer costs. SCP seeks improved affordability through competitive supply negotiations, accurate load forecasting and scheduling, low overhead costs, and through advocacy at California’s regulatory agencies.

2. Accelerate Climate Solutions. SCP seeks to use its staff, finances, Board and Community Advisory Committee, and its close relationships with local public agencies to create rapid solutions to climate change in all sectors. This means that while SCP is not primarily responsible for greenhouse gas emissions in transportation and land use, for example, it still has an obligation to aid those sectors whenever it has the capacity to do so.

3. Coordination with Local Agencies. SCP coordinates its work on climate change with the Regional Climate Protection Authority, local transportation agencies, water agencies, open space districts and each of our member cities, town and counties. It is unreasonable to expect an IOU to interact so closely with every local public agency, but such coordination of the energy impacts of land use planning or the locational value of electric vehicle charging for low-income customers is critical.

4. Customer Programs. SCP seeks to support and supplement the existing customer programs offered by local agencies and PG&E by delivering forward-thinking programs that are not allowed under CPUC rules (e.g., fuel substitution) or are not appropriate for an IOU to deliver (e.g., short duration, experimental, fast-paced, or targeted to specific neighborhoods or industry).

5. Local Investment. SCP seeks to invest in local electric sources and reliability services, use local professional services, donate to local charities and generally seeks to invest its reserves in local funds and banks.

B. Service

SCP began serving customers in May 2014 and today serves a population of about 525,000 people with 223,000 electric accounts across Sonoma and Mendocino counties. In aggregate, 86% of SCP’s accounts are residential, accounting for approximately 50% of its load.
**Community Programs**

As part of its mission to reduce GHG emissions across all sectors and supply electricity to Sonoma and Mendocino counties, SCP offers its customers programs related to clean transportation and energy efficiency. Near-term, short-term and long-term program goals are defined in a Strategic Action Plan that is regularly updated, and is included in this document as Exhibit B. Load impacts and accomplishments of these customer programs are described in Chapter 7.

**Community Engagement**

The creation of SCP was spearheaded by local community groups, local government, environmental activists, local labor and businesses. As a result, SCP is closely connected with its community. SCP participates in more than 100 public events in its territory each year, sponsors dozens of non-profits, and many SCP employees serve on local boards and committees. SCP also engages in a leadership role in the community where appropriate, such as responding to local needs following the 2017 firestorm.

Immediately following the October 2017 fires, SCP lent staff to the County of Sonoma to manage the protection of creeks and watersheds and committed $1 million to relief efforts. More importantly, however, SCP began hosting a conversation among fire survivors, developers, city and county staff, and other stakeholders about how to rebuild homes to be more energy efficient, more affordable, and climate smart. Out of that dialog, the Advanced Energy Rebuild program was born.

For the Advanced Energy Rebuild, SCP recruited PG&E and BAAQMD to partner on a joint program to incentivize rebuilding homes with deep energy efficiency, EV charging, onsite renewable energy with storage, and bonuses for building all-electric with no natural gas connection for rebuilt buildings and homes. A rebuilt home that doesn’t use any natural gas can earn up to $17,500.

SCP is also demonstrating how the “community solar” option in the 2020 Title 24 code could be expanded for the 2022 Title 24 update. The proposed code improvement will be tested in the Advanced Energy Rebuild and will allow two refinements: (1) a clarification that the intent was to promote local RPS-eligible renewables and not solar alone; and (2) a recognition of the growing importance of connecting real-time supply and real-time load with storage or baseload renewable supply from local sources, such as SCP’s EverGreen option. Customers are able to pre-purchase a 20-year commitment to local, renewable 24/7 energy.

**Customer Supply Options**

SCP offers its customers two supply options. The default service is CleanStart, which provided customers in 2017 with 45% renewable power and an additional 42% from large hydro. SCP’s 100% renewable option is EverGreen, currently priced at a premium of 2.5 cents per kWh, coming from qualifying renewable sources located entirely inside SCP’s territory and designed to closely match the real-time profile of customer demand. SCP also offers NetGreen, a net energy metering program which allows customers to offset their consumption of SCP-supplied power (whether CleanStart or EverGreen) with customer-owned renewable energy.

SCP customers have the choice to opt out of SCP’s default service and buy energy from PG&E. As of June 30, 2018, SCP serves 87% of its eligible customers. All SCP customers remain PG&E delivery customers. While SCP provides energy generation, customer programs and customer service, it does not deliver or meter the physical power, nor does it distribute customer bills. PG&E is the only option for
delivery and metering, and SCP partners with PG&E for billing services. All of SCP’s customers receive one consolidated bill from PG&E that includes both the SCP generation charges and PG&E’s delivery charges. PG&E also charges SCP customers for their share of the above-market procurement costs incurred by PG&E while such customers were bundled PG&E customers. This charge, called the “Power Charge Indifference Adjustment,” is required by California law to ensure that neither bundled utility customers nor CCA customers are financially harmed by the existence of community choice programs.

Customer Service

SCP has a Customer Service team devoted to helping its customers, which include residential, commercial, industrial and agricultural accounts. The Customer Service team’s primary operational capabilities are:

- Navigating and interpreting billing issues with both in-house and third-party call centers
- Industry-specific engagements, such as the Economic Development Board, Farm Bureau, Winegrape Commission, etc.
- Facilitating SCP program participation: DriveEV, Demand Charge Reduction Program, Technical Assistance and Auditing Program, DIY Toolkits, etc.
- Interfacing directly with the California Public Utilities Commission (CPUC) and PG&E on a range of co-ventures (Time-of-Use Pilot Program, Residential Rate Reform, CCA/PG&E Joint Rate Mailers, etc.).

C. Governance

SCP is a joint powers authority governed by an eleven-member Board of Directors consisting of officials appointed by its members from the Counties of Sonoma and Mendocino, the Cities of Willits, Point Arena, Fort Bragg, Cloverdale, Sebastopol, Santa Rosa, Sonoma, Cotati, Rohnert Park, Petaluma and the Town of Windsor. The Board of Directors oversees a Community Advisory Committee to review important decisions and provide advice to the Board.

CCAs are variously referred to as a “Community Choice Aggregator,” “Retail Electric Provider,” and a “Load Serving Entity” under California law. CCAs were made possible by the adoption in 2002 of Assembly Bill 117, as one of the State’s efforts to insert more public oversight over energy markets and reduce risk following the energy crisis.

The purpose, structure and rules of SCP were initially developed between 2010 and 2013 by a Stakeholder Committee of representatives from local governments, labor, environmental groups, businesses and taxpayer and ratepayer advocates, and which were ultimately codified in the Joint Powers Agreement (JPA) that formed SCP. Since formation, the Board of Directors has updated the JPA and adopted policies to manage risk, increase transparency, provide for customer rights, adopt personnel rules, set internal procurement authorities and govern other business matters.
D. Territory

SCP provides service to nearly all of Sonoma and Mendocino Counties, excluding only the incorporated cities of Healdsburg and Ukiah, which are already served by public power providers in the form of municipal power.

Sonoma County is known for its wine, dairy products, hops, apples and beautiful coastline and countryside. Major industries include tourism, agriculture, ranching, healthcare and medical devices, technology and education. SCP began serving Sonoma County in 2014. Mendocino County is known for its rugged coastline and redwood forests. Economic activity is driven by agricultural products, forest products, fishing and tourism. SCP began serving Mendocino County in June 2017.
3. Rethinking Integrated Resource Planning

In February 2018 (D.18-02-018), the CPUC directed retail electric providers to share (by August 1, 2018) “Integrated Resource Plans,” consisting of specific data and based on CPUC-required templates. To comply with this requirement, SCP staff completed the CPUC-required templates, obtained approval from SCP’s Board of Directors on July 12, 2018 and submitted the IRP compliance filing in July 2018 (see Exhibit A for a full copy of the submission). However, in addition to complying with CPUC requirements, SCP has developed this Integrated Resource Plan, which is a better reflection of SCP’s actual projected load and resources, and includes important information about SCP’s vision and values (see Exhibit A, Table 3 for more detail). As a result, this IRP serves two purposes:

- Provides SCP’s most accurate information to be used in statewide planning; and
- Identifies additional IRP responsibilities necessary to maintain energy affordability and reliability while meeting the State’s climate goals.

A. Responsibility Beyond Supply and Demand

Historically, integrated resource planning has been based on forecasting customer demand as modified by assumed efficiency program impacts and then ensuring sufficient supply resources to meet that demand. More recently, integrated resource planning has incorporated efforts to increase the use of renewable sources and decrease GHG emissions. In the last few years, an effort has begun to plan for “renewable integration,” the work necessary to ensure grid reliability as more of California’s energy comes from solar and wind resources.

While these planning steps are necessary, they fail to ensure that California’s climate goals are met. California’s current planning process seeks to provide affordable, reliable, low-carbon electricity, but it doesn’t go far enough in examining the responsibility of the electric power sector to maintain affordability while also displacing other energy sources like gasoline. It also largely ignores the importance of customer participation in grid reliability measures. The result is that most projections of our energy future fall short of the necessary goals, as articulated in SB 350 (De León 2015) and AB 32 (Núñez/Pavley 2006):

- By 2030, reduce GHG emissions to 40 percent below 1990 levels
- By 2050, reduce GHG emissions to 80 percent below 1990 levels

Electric providers have so far made good progress in decarbonizing each megawatt-hour of electric energy produced. But focusing solely on decarbonization of electricity resources ignores an essential component for achieving California’s climate goal: using clean electricity to displace other fuels, particularly petroleum for on-road transportation and natural gas for building heating and water heating. These two sources make up nearly 80% of Sonoma County’s greenhouse gas emissions and are replaceable with clean electricity.
For these reasons, this IRP addresses all of the ordinary IRP elements, but also addresses the responsibility of SCP in achieving the climate goals of other (non-electric) sectors, and explores the possible large-scale expansion of using customer-owned technology and controls to provide essential grid reliability services.

B. How This IRP Differs from the CPUC’s IRP

As a load serving entity, SCP has core responsibilities for planning supply and demand, maintaining affordability and reliability, and for planning ahead to ensure California’s climate goals can be met.

One of SCP’s core responsibilities is to forecast its customer load and develop a plan to serve such load in alignment with its Board of Directors’ vision and values, and in accordance with regulatory requirements. In 2015, California codified this responsibility with the passage of SB 350, which requires the CPUC to establish and oversee an Integrated Resource Planning process. Across the United States, Integrated Resource Plans (IRPs) are often 10 to 20 year plans that map out both the supply-side and demand-side resources required for meeting customer needs. Given the complexity of the grid and the time required
to plan and build generating facilities, IRPs are a critical part of planning for affordable and reliable clean power.

In California, SB 350 has driven Integrated Resource Planning towards a more specific goal: helping the State meet its ambitious near-term GHG-reduction targets of 40% below 1990 levels by 2030. Accordingly, the CPUC has developed a capacity expansion model (called Resolve) that limits GHG emissions from California’s electric sector and—while meeting reliability, regulatory and other requirements—intends to produce a cost-effective portfolio of resources. The CPUC calls this portfolio its Reference System Plan and has produced a scenario assuming 42 MMT of electric sector GHG emissions per year in 2030.

While SCP must meet the criteria of SB 350 and show its compliance to the CPUC for certification, State law allows and requires SCP’s governing board to determine how to achieve those goals, whether to use CPUC models as part of SCP’s planning process, and to approve SCP’s IRP.

Since this is SCP’s first complete IRP, SCP’s process will necessarily be refined in subsequent plans. In addition to seeking to improve the CPUC’s internal process for sharing IRP data, SCP has also invited the CAISO to meet late in 2018 to discuss what additional data it needs to more accurately identify necessary reliability resources in the year-ahead RA process, particularly for sub-local areas.

The following chapters will discuss SCP’s customer load, the resources required to meet such load and SCP’s procurement processes. In addition, this IRP illustrates how SCP’s planned activities fulfill SCP’s governing board’s vision, values and regulatory requirements.

SCP’s efforts to go beyond traditional resource planning include:

1. **GridSavvy.** A grid reliability platform being built to provide the capability of automatically dispatching electric vehicle chargers, heat pumps, thermostats and stationary batteries to both increase and decrease load on a fast signal. The goal of GridSavvy is to achieve Proxy Demand Response participation in 2020, Non-Generating Resource participation in 2024 and qualified System Resource Adequacy in 2030. By 2030, SCP aims to provide a minimum of 5% of RA from GridSavvy. The technical potential of GridSavvy appears to be sufficient to supply a small majority of real-time and hourly load shaping by 2050, but none of the reliability needs of the Dunkelflaute.  

2. **Portfolio.** SCP purchases long-term PPAs of renewable sources with a goal of matching real-time customer load as closely as practical before utilizing shaping or other strategies. The intent of this strategy is to minimize our reliance on system power and reduce the corresponding financial risk to our customers. Specifically, we:
   
   o Buy geothermal, wind, solar, hydro, biomass and other non- and very low-GHG sources in an effort to best match hourly and seasonal customer demand, while purchasing high-value RA from these same sources and negotiating for curtailment rights on solar and wind; then

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1 “MMT” means millions of metric tons of carbon dioxide equivalent emissions.
2 “Dunkelflaute” is a German word that describes when it is both dark and calm, a time during which neither solar nor wind resources can produce a sufficient amount of power.
Plan to utilize GridSavvy, targeted customer programs (e.g., residential evening-hour efficiency), and energy storage to shape the real-time demand profile to better match the available supply; then

- Purchase natural gas energy (often as an open position or “unspecified source”) to meet the remaining need; while

- Utilizing natural gas RA sources to ensure system reliability for those portions not already met by renewable PPAs.

3. Programs. SCP specifically operates its customer programs to deliver the greatest reduction in total regional greenhouse gas emissions across all sectors and does not view its electric portfolio emissions factor itself as the primary goal, but rather as a means to achieving a societal reduction in emissions. This means:

- Transportation Fuel Shift. Electrification of transportation is SCP’s number one environmental objective as this is where the bulk of Sonoma and Mendocino county greenhouse gas emissions originate. SCP currently operates a bulk discount electric vehicle program, offers customers free charging stations for their homes, and partners with local non-profits to deploy electric vehicles in our community.

- Building Fuel Shift. Reducing and eliminating natural gas from buildings is SCP’s number two environmental objective. SCP is actively rolling out programs in heat pumps, induction cooking, and building decarbonization education.

- Time of Efficiency. Efficiency during evening hours – when grid prices and grid GHG intensities are both high – is extremely important, while efficiency during mid-day hours, when the grid is cheap and very low-GHG, is relatively unimportant. Through programs like GridSavvy, Sonoma Clean Power can begin to pair fuel-shifting and energy efficiency programs with aggregated customer load shaping strategies.

4. Engagement. SCP regularly meets with our regional transportation, water, land use, and planning agencies to coordinate and jointly prioritize climate action. We now have joint mapping, policies and legislative action, and coordinate electric vehicle charging station deployment, for example.

Fundamentally, SCP views its obligation as utilizing affordable and reliable clean sources of electricity to replace other sources of energy.

C. SCP’s Role in Creating Needed Energy Market Changes

It is worth celebrating that solar and wind power are now frequently the lowest cost new energy resource. This is good news, but producing renewable energy is now the easy part. Ensuring reliability with a growing fraction of variable (solar) and intermittent (wind) sources is harder.
Our IRP thus begins with certain principles, summarized here:

**Measure Actual Climate Impacts, Not Proximate Ones**

California climate policy should move away from simply promoting the construction of new renewable sources (e.g., percent RPS or megawatts of new RPS sources) and toward metrics that will support a reliable near-zero carbon grid (e.g., total tons of CO₂ emitted per geographic territory, from all sources, with credit to electric providers for contributing to reductions regardless of the sector).

SCP’s Role: SCP no longer considers the addition of new renewable sources equivalent to a reduction in emissions, for example, and instead focuses on total tons of emissions in its service territory. The reason is that the addition of new sources can expand total energy use, and may not reduce absolute emissions at all, or at least not in proportion to the new construction. Construction-oriented policies also tend to overlook less expensive options, such as conservation, controls and efficiency.

**Improve Market Stability for Natural Gas Turbines While Planning Ahead to Reduce Reliance on Them**

There is an urgent need to shore up the market for natural gas units to sell reliability through and beyond the closure of the Diablo Canyon nuclear power plant. A multi-year compliance obligation to purchase Resource Adequacy will stabilize the market and help avoid the risk of early plant closures. Moving toward California’s climate goal requires both a clear plan to reduce reliance on natural gas units for shaping and reliability over the next twenty years, and multi-year resource adequacy (RA) obligations to ensure that gas units needed for reliability can remain operational.

SCP’s Role: Advocate for multi-year RA obligations, implement GridSavvy, and continue to improve the match between real-time supply and demand.

**Make a Plan for Dunkelflaute**

Ensuring reliability when it is both dark and without wind (Germans call this “Dunkelflaute”) will likely require all of the following: (a) increased energy storage at scale and duration, (b) retention of significant gas plant resources for reliability for the next thirty years, (c) improved segmentation of circuits and back-up power to ensure reliability to critical services, while (d) we reconsider our current reliability standards for non-critical loads. Today’s IOUs plan for a specific up-time. But that standard was set when nearly all resources were dispatchable. As California presses forward with plans to decarbonize, ratepayers should be informed about the cost of that reliability standard and provided with alternative standards which may greatly lower costs.

SCP’s Role: convene conversations about affordable reliability that other market actors cannot or should not (e.g., the CAISO should not be expected to initiate a conversation about changing California’s reliability standards).

**Open Access to Data for Innovation**

California needs detailed open public data on distribution grid infrastructure and competitive markets for providing distribution grid reliability. Such data can be provided in a manner that continues to protect customer privacy. As more of our energy comes from renewable sources, our options for dispatching supply sources will continue to diminish and our need to manage load and distributed energy resources
will increase. These pressures demand more creativity from customers, technology companies and community choice aggregators, and that requires open access to real-time circuit information and improved use of smart meter data.

SCP’s Role: Identify specific data needed and advocate for those data to be provided in GIS, APIs and other usable formats. Advocate for actual load profiles to be used for settlements for residential and small business customers, so that customers can be fully compensated for their participation in demand response.

**Improve Affordability with Better Distribution Reliability Markets**

The CPUC, CAISO and other stakeholders need to define better markets for reliability services from customer-owned and third-party-owned resources. Today, only very limited markets exist for customers, CCAs and third parties to provide reliability services (e.g., the DRAM), stifling creativity and meaning that near-zero-cost solutions (e.g., behavioral changes driven by smart phone apps) are undervalued. Nearly all reliability investments today are still focused on utility-owned equipment. However, affordability can be significantly improved when customers can utilize readily-available technology, such as smart inverters, smart EV chargers and even phone apps to provide large-scale reliability. Concerns about the dependability of customer-provided reliability can be addressed through large-scale programs with broad statistical diversity and a credit-worthy aggregator.

SCP’s Role: Provide more details to the CPUC, CAISO and the CEC on GridSavvy and SCP’s attempts to fully value customer-owned, CCA-owned and third-party-owned reliability resources. Advocate for improved reliability markets and improved procedures to ensure adequate notice of reliability needs and ability to propose lower cost non-wires alternatives.

**Create a Plan to Avoid Building New Natural Gas Plants**

Even if there is no buyer for the energy, gas turbines used for electric reliability must still run at their minimum settings (typically between 20% and 30%) and therefore would create sufficient emissions to make reaching California’s 2050 climate goals challenging if nearly all reliability is still provided by natural gas turbines in 32 years. SCP expects that a significant fraction of reliability services will still be met by natural gas turbines in 2050, but seeks a statewide dialog now to ensure that California’s climate goals can still be met.

SCP’s Role: Participate in long-term reliability planning, advocate for an extremely high bar to approve any new construction of natural gas power facilities and better noticing and market signals for alternatives to be developed whenever possible.

**D. Preparing for an Upside-Down Grid**

As part of SCP’s efforts to achieve California’s climate goal, we have identified a number of problems that we seek broad industry collaboration to solve.

One set of problems comes from the fact that the transition to an extremely low-carbon society is flipping the grid “upside-down.” Historically, California’s grid has used dispatchable resources to meet forecast demand. A low-carbon grid will rely much more on forecast supply (e.g., solar and wind) and therefore will require much greater amounts of dispatchable load. Existing demand response programs
are insufficient because they are too low value, too slow to react, and too complex for most businesses and residential customers to implement.

Most conversations about solutions to this problem are too narrow in scope, focusing on one solution, such as batteries. But SCP’s analysis finds it is more likely that affordable solutions to this problem will involve a number of elements, including:

1. Very close collaboration with customers, who will be increasingly paid to provide reliability services.
2. Improved access to smart meter and distribution grid data, and improved markets for distribution grid reliability to allow innovation.
3. Increased use of stationary batteries at high-value locations informed by real-time distribution grid data.
4. Broad use of automated demand response, including both up- and down-regulation of loads and distributed energy resources.
5. Increased curtailment of renewables, but with improved clarity from CAISO on curtailment risks associated with new projects.
6. Changes to the CAISO market to facilitate easier exporting and importing of power, reducing the risks associated with solar and wind curtailment, and increasing access to cheaper clean generation during times of high net demand (e.g., during CAISO evening ramps).
7. Changes to building codes to ensure heating and water heating with heat pumps having dispatch capability.
8. Time-of-Use rates to encourage mid-day EV charging and other rate restructuring to better reflect wholesale costs.

No doubt this is a partial list, and there are additional actions that will be needed for addressing the “upside-down grid.” SCP therefore seeks to create a forum for analyzing and discussing the appropriate balance of approaches to ensure affordability and reliability in a decarbonized future. What other strategies should California be planning now to facilitate the transition to a near-zero-carbon grid?

SCP seeks partners to regularly discuss this topic, update our processes and regulations and collaborate.
4. Portfolio Regulatory Requirements

A. Regulatory Deliverables

As a California load serving entity, SCP must comply with numerous regulations, many of which deal with ensuring grid reliability and limiting greenhouse gas emissions. The tables below list SCP’s regulatory deliverables (required and voluntary) as well as the frequency and regulatory jurisdiction for each deliverable. Each table represents a specific regulatory topic, and key topics are explained in greater detail in subsequent sections of this chapter.

Resource Adequacy (RA)

<table>
<thead>
<tr>
<th>Frequency/Timing</th>
<th>Regulatory Deliverable</th>
<th>Jurisdiction</th>
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</thead>
<tbody>
<tr>
<td>Annual: January</td>
<td>Flexible Capacity Needs Assessment</td>
<td>CAISO</td>
</tr>
<tr>
<td>Annual: February</td>
<td>Historical Capacity Price Data Request</td>
<td>CPUC</td>
</tr>
<tr>
<td>Annual: March</td>
<td>Historical Load Used for Year-Ahead RA Process</td>
<td>CPUC/CEC</td>
</tr>
<tr>
<td>Annual: April</td>
<td>Going Forward Capacity Volumes Data Request</td>
<td>CPUC</td>
</tr>
<tr>
<td>Annual: April</td>
<td>Year-Ahead Load Forecast Used for Year-Ahead RA Process</td>
<td>CPUC/CEC</td>
</tr>
<tr>
<td>Annual: June</td>
<td>Import Capability &amp; Path 26 Allocation Processes Begin</td>
<td>CAISO</td>
</tr>
<tr>
<td>Annual: August</td>
<td>Revised Year-Ahead Load Forecast Used for Year-Ahead RA Process</td>
<td>CPUC/CEC</td>
</tr>
<tr>
<td>Annual: October</td>
<td>Year-Ahead RA Demonstration</td>
<td>CPUC/CEC</td>
</tr>
<tr>
<td>Monthly</td>
<td>2.5 Months Ahead Load Migration Forecast</td>
<td>CEC</td>
</tr>
<tr>
<td>Monthly</td>
<td>45 Days Ahead RA Demonstration</td>
<td>CPUC/CEC</td>
</tr>
<tr>
<td>Monthly</td>
<td>45 Days Ahead RA Demonstration (cure period ends T-30 Days)</td>
<td>CAISO</td>
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Renewables Portfolio Standard (RPS)

<table>
<thead>
<tr>
<th>Frequency/Timing</th>
<th>Regulatory Deliverable</th>
<th>Jurisdiction</th>
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</thead>
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<tr>
<td>Annual: Q2</td>
<td>Retire RECs and Prepare WREGIS Reports for Suppliers</td>
<td>N/A</td>
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<tr>
<td>Annual: July</td>
<td>WREGIS: Compliance Report, e-Tag Report, Attestation</td>
<td>CPUC/CEC</td>
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<tr>
<td>Annual: July</td>
<td>RPS Procurement Plan</td>
<td>CPUC</td>
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<tr>
<td>Annual: August</td>
<td>RPS Data Request related to Workforce Development &amp; Diversity</td>
<td>CPUC</td>
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<tr>
<td>Annual: August</td>
<td>RPS Compliance Report</td>
<td>CPUC</td>
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Energy Storage Procurement

<table>
<thead>
<tr>
<th>Frequency/Timing</th>
<th>Regulatory Deliverable</th>
<th>Jurisdiction</th>
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<tbody>
<tr>
<td>Biennial: January</td>
<td>Energy Storage Procurement Tier 2 Advice Letter</td>
<td>CPUC</td>
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### Greenhouse Gas (GHG) Reporting

<table>
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<tr>
<th>Frequency/Timing</th>
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<th>Jurisdiction</th>
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<tbody>
<tr>
<td>Annual: February</td>
<td>Emission Performance Standard Advice Letter</td>
<td>CPUC</td>
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<tr>
<td>Annual: June</td>
<td>Retail Load Reporting for MRR</td>
<td>CARB</td>
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<td>Annual: December</td>
<td>GHG Reports due to The Climate Registry</td>
<td>Voluntary</td>
</tr>
<tr>
<td>Annual: December</td>
<td>GHG Report Published by The Climate Registry</td>
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### Power Source Disclosure (PSD)

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<th>Frequency/Timing</th>
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<th>Jurisdiction</th>
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<tbody>
<tr>
<td>Annual: April</td>
<td>Third party verification of retail sales by product</td>
<td>N/A</td>
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<tr>
<td>Annual: June</td>
<td>PSD Report submitted to CEC</td>
<td>CEC</td>
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<tr>
<td>Annual: July</td>
<td>SCP-PG&amp;E rate comparison mailed to customers</td>
<td>CPUC</td>
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<tr>
<td>Annual: August</td>
<td>Power Content Label mailed to Customers and CEC</td>
<td>CEC</td>
</tr>
<tr>
<td>Annual: October</td>
<td>Independent audit of PSD Report, Power Content Label</td>
<td>CEC</td>
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### Integrated Resource Planning (IRP)

<table>
<thead>
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<th>Frequency/Timing</th>
<th>Regulatory Deliverable</th>
<th>Jurisdiction</th>
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<tbody>
<tr>
<td>Biennial: June*</td>
<td>CPUC Templates Submitted to CPUC for Verification</td>
<td>CPUC</td>
</tr>
<tr>
<td>Biennial: TBD</td>
<td>SCP’s IRP (including CPUC templates) posted to SCP website</td>
<td>Voluntary</td>
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</table>

*The CPUC extended the 2018 IRP deadline to August 1, 2018*

### Energy Information Administration (EIA) Reporting and Quarterly Fuel and Energy Report (QFER)

<table>
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<tr>
<th>Frequency/Timing</th>
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<th>Jurisdiction</th>
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<tr>
<td>Annual: April</td>
<td>Annual 861 Filing</td>
<td>EIA</td>
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<tr>
<td>Quarterly</td>
<td>Quarter Behind QFER (1306B Filing)</td>
<td>CEC</td>
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<tr>
<td>Monthly</td>
<td>Month Behind 861 Filing</td>
<td>EIA</td>
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### Integrated Energy Policy Report (IEPR)

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<tr>
<th>Frequency/Timing</th>
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<th>Jurisdiction</th>
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### Wind Power Procurement

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<tr>
<th>Frequency/Timing</th>
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<tbody>
<tr>
<td>Quarterly</td>
<td>Quarter Behind CA Wind Power Procurement (1386 Filing)</td>
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**Congestion Revenue Rights (CRRs)**

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<tr>
<td>Annual: August</td>
<td>Annual CRR Allocation Process Begins</td>
<td>CAISO</td>
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<tr>
<td>Monthly</td>
<td>1.5 Month Ahead Load Forecast for CRR Allocations</td>
<td>CAISO</td>
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**PG&E Energy Resource Recovery Account (ERRA)**

<table>
<thead>
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<th>Frequency/Timing</th>
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<tbody>
<tr>
<td>Annual: February</td>
<td>Year-Ahead Load Forecast Used for PG&amp;E ERRA</td>
<td>CPUC</td>
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<tr>
<td>Annual: September</td>
<td>Revised Year-Ahead Load Forecast Used for PG&amp;E ERRA</td>
<td>CPUC</td>
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**Advanced Metering Initiative (AMI) Data**

<table>
<thead>
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<th>Frequency/Timing</th>
<th>Regulatory Deliverable</th>
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<tr>
<td>Triennial</td>
<td>AMI Data Privacy Audit</td>
<td>CPUC</td>
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<tr>
<td>Annual: April</td>
<td>AMI Data Privacy Annual Report</td>
<td>CPUC</td>
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**Officer Certification**

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<th>Frequency/Timing</th>
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<th>Jurisdiction</th>
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<tbody>
<tr>
<td>Annual: April</td>
<td>Annual Officer Certification Form</td>
<td>CAISO</td>
</tr>
</tbody>
</table>

**B. Resource Adequacy**

In the aftermath of California’s electricity crisis (2000-2001), the California Public Utilities Commission (CPUC) introduced a new requirement in 2004 to better ensure grid reliability. More specifically, the CPUC required load-serving entities to secure adequate capacity well in advance of the real-time need and make such capacity available to the California ISO (CAISO), which is the balancing authority (i.e., grid operator) for the majority of California. This requirement, called “Resource Adequacy,” has evolved over the years since 2004, and today’s program (jointly administered by the CPUC, CAISO and California Energy Commission) is comprised of three products: (1) System RA, (2) Flexible RA, and (3) Local RA.

**System RA**

In order to meet its CPUC-jurisdictional System RA requirements, SCP must demonstrate that it has secured capacity equal to 115% of its expected peak load for each month of the year. However, instead of making such a demonstration all at once, SCP is instead required to make a year-ahead filing as well as twelve individual month-ahead filings. For the year-ahead filing (October 31st of the preceding year), SCP must demonstrate 90% of the 115% requirement for the coming year’s five summer months: May through September. For the 12 monthly filings (each submitted 45 days in advance of the month), SCP must demonstrate 100% of the 115% requirement. For reference, the 115% requirement is often referred to as the expected peak load plus a 15% “planning reserve margin.” Also, to be more precise, the CPUC makes several adjustments to SCP’s expected monthly peak loads; one of these adjustments is to account for the fact that SCP’s peaks do not perfectly coincide with CAISO’s peaks.
When demonstrating System capacity, SCP must count only the “Net Qualifying Capacity” of each resource it includes in its filings. At a high level, the Net Qualifying Capacity (NQC) of a resource, published by the CAISO, is the capacity (one number for each month of the year) that can be relied upon to meet that month’s peak load system conditions. For wind and solar resources, the NQC calculations must take into account the intermittent and seasonal nature of such resources and are based on an Effective Load Carrying Capacity (ELCC) methodology. For example, solar resources receive no capacity value in December and January.

When demonstrating System capacity, SCP must also consider three other factors. First, due to limited capacity on Path 26 (a cluster of critical transmission lines that allow power to flow between northern and southern California), SCP must secure the bulk of its system resources from north of Path 26 (thereby reducing the need to use the path). In order to comply with CPUC rules, SCP is only allowed to procure a certain amount of capacity from south of Path 26, with the specific number being provided each year by the CAISO through the CPUC. Second, due to limited capacity on the interties that connect the CAISO grid with other western grids, SCP must secure the bulk of its system resources from within the CAISO grid. Again, SCP is only allowed to procure a certain amount of capacity from outside of the CAISO grid, with the specific number being provided each year by the CAISO and CPUC. Third, each year SCP is allocated a certain amount of capacity that was procured by the CAISO for reliability purposes or by PG&E due to policy mandates. These allocations are known as Reliability Must Run (RMR) and Cost Allocation Mechanism (CAM) allocations, and SCP is given this capacity because its customers are charged for it. The CPUC notifies SCP of its RMR and CAM allocations on a quarterly basis (approximately two months in advance of each quarter).

**Flexible RA**

In order to meet its Flexible RA requirements, SCP must demonstrate that it has secured Flexible capacity equal to its assigned share of the CAISO’s flexibility need (based in part on the largest expected three-hour ramp of system load) for each month of the year. However, instead of making such a demonstration all at once, SCP is instead required to make a year-ahead filing as well as twelve monthly filings. For the year-ahead filing (October 31st of the preceding year), SCP must demonstrate 90% of its assigned flexible capacity requirement for each month of the coming year. For the twelve individual monthly filings (each submitted 45 days in advance of the month), SCP must demonstrate 100% of its assigned flexible capacity requirement.

When demonstrating Flexible capacity, SCP must count only the “Effective Flexible Capacity” of each resource it includes in its filings. At a high level, the Effective Flexible Capacity (EFC) of a resource, published each year by the CAISO, is the capacity (one number for each month of the year) that can be relied upon to help meet that month’s system ramping needs. For this reason, only resources that can ramp and sustain energy output for at least three hours are eligible to receive an EFC value.

When procuring Flexible capacity, SCP must choose among three categories: (1) Base Flexibility; (2) Peak Flexibility; (3) Super-Peak Flexibility. Each category of capacity must be economically bid into the California ISO’s markets (i.e., each category is subject to “must-offer obligations”), but the exact requirements differ by category. In addition, load serving entities must procure flexible capacity in accordance with the following rules: (A) For the summer months (May through September), SCP must procure at least 55% of its Flexible Capacity portfolio with Category 1 (Base Flexibility) capacity; (B) For the non-summer months, SCP must procure at least 38% of its Flexible Capacity portfolio with Category 1 capacity; (C) SCP may only procure up to 5% of its Flexible Capacity portfolio with Category 3 (Super-Peak Flexibility). Since the inception of Flexible Capacity, SCP has procured only Category 1.
Local RA

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. To be clear, the assigned requirement for each local area is one number for the entire year, but SCP must show that it has secured enough capacity in each month to meet this number. Also, the CAISO has established a list of seven local areas in PG&E’s transmission area: (1) Humboldt; (2) North Coast/North Bay; (3) Sierra; (4) Stockton; (5) Greater Bay; (6) Greater Fresno; (7) Kern. However, the CPUC has established a less granular list of only two local areas in PG&E’s transmission area: (1) Bay Area; (2) Other PG&E Areas. As a result, SCP has two separate local RA compliance obligations: a CPUC-defined obligation and a CAISO-defined obligation.

When demonstrating capacity to meet CPUC Local RA requirements, SCP must use the August Net Qualifying Capacity (NQC) of each resource. This means that if SCP has a solar resource in a local area, and that resource has a March NQC of 5 MW and an August NQC of 20 MW, then for purposes of Local RA compliance, SCP can and must list 20 MW across the year for that specific resource (even though this would seem to overstate the capacity in March by a factor of 4).

SCP’s System, Flexible and Local RA requirements are all based in part on SCP’s load data. The first step in SCP’s RA compliance cycle is to submit historical load data to the CPUC and CEC in March of the preceding year. The following month (in April of the preceding year), SCP is required to submit an initial year-ahead load forecast. Based on part on this data, the CPUC then provides SCP with draft year-ahead RA obligations; these are provided in late July or early August of the preceding year. The following month (in August of the preceding year), SCP is required to submit a revised year-ahead load forecast. Accordingly, the CPUC then provides SCP with revised year-ahead RA obligations; these are provided in September of the preceding year. Based on these obligations and as discussed in the section above, SCP then must make its year-ahead filing on October 31st of the preceding year.

Once the year-ahead process is completed on October 31st of the preceding year, the month-ahead process begins. As explained in the section above, SCP is required to make RA submissions 45 days in advance of each month. In addition to making such RA submissions, SCP is also required to submit load forecasts 2.5 months in advance of each month. In fact, it is these load forecasts that are used to modify SCP’s 45 day-ahead System requirements, in order to capture load migration. For example, in mid-January SCP is not only required to submit its March RA plan, but it is also required to submit an April load forecast. It is this April load forecast that is used the following month (in mid-February) to determine SCP’s remaining April System RA need.
C. Renewable Portfolio Standard

Established in 2002 under Senate Bill 1078, accelerated in 2006 under Senate Bill 107, expanded in 2011 under Senate Bill 2, and expanded once again in 2015 under Senate Bill 350, California's Renewables Portfolio Standard (RPS) requires California load serving entities to supply their retail sales with minimum portions of eligible renewable energy. As shown in the table below, the RPS requirements have increased over the years, and such requirements (expressed as percentages of retail sales) are enforced within compliance periods. For each compliance period, load-serving entities (LSE) like SCP and PG&E, are required to meet the weighted average of the RPS requirements for that period, with retail sales providing the weights. For example, in compliance period #3, LSEs are required to supply their retail sales with at least the following portion of renewable energy: \[
\frac{(2017 \text{ sales} \times 27\%) + (2018 \text{ sales} \times 29\%) + (2019 \text{ sales} \times 31\%) + (2020 \text{ sales} \times 33\%)}{2017 \text{ through } 2020 \text{ sales}}.
\]

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<thead>
<tr>
<th>Year</th>
<th>Compliance Period</th>
<th>RPS Requirement (% of Retail Sales)</th>
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<td>2011</td>
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<td>2014</td>
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</tr>
<tr>
<td>2016</td>
<td>2</td>
<td>25.0</td>
</tr>
<tr>
<td>2017</td>
<td>3</td>
<td>27.0</td>
</tr>
<tr>
<td>2018</td>
<td>3</td>
<td>29.0</td>
</tr>
<tr>
<td>2019</td>
<td>3</td>
<td>31.0</td>
</tr>
<tr>
<td>2020</td>
<td>3</td>
<td>33.0</td>
</tr>
<tr>
<td>2021</td>
<td>4</td>
<td>34.8</td>
</tr>
<tr>
<td>2022</td>
<td>4</td>
<td>36.5</td>
</tr>
<tr>
<td>2023</td>
<td>4</td>
<td>38.3</td>
</tr>
<tr>
<td>2024</td>
<td>4</td>
<td>40.0</td>
</tr>
<tr>
<td>2025</td>
<td>5</td>
<td>41.7</td>
</tr>
<tr>
<td>2026</td>
<td>5</td>
<td>43.3</td>
</tr>
<tr>
<td>2027</td>
<td>5</td>
<td>45.0</td>
</tr>
<tr>
<td>2028</td>
<td>6</td>
<td>46.7</td>
</tr>
<tr>
<td>2029</td>
<td>6</td>
<td>48.3</td>
</tr>
<tr>
<td>2030</td>
<td>6</td>
<td>50.0</td>
</tr>
</tbody>
</table>

In order to supply their retail sales with minimum portions of renewable energy, load serving entities must acquire and retire renewable energy credits (RECs). Each REC represents the environmental/renewable attributes associated with 1 MWh of eligible renewable energy and is created at the moment the electricity is generated; accordingly, each REC is assigned a vintage year and month. RECs are created in a database known as the "Western Renewable Energy Generation Information System (WREGIS), which is used across the Western Interconnection to track the environmental/renewable attributes of wholesale electricity.

When acquiring and retiring RECs to meet its RPS requirements, SCP must also comply with additional requirements related to three Portfolio Content Categories (PCCs), defined as follows:
PCC 1: Bundled RECs from facilities with a first point of interconnection within a California Balancing Authority (CBA), or RECs from facilities that schedule electricity into a CBA, and without substitute energy. In other words, these are RECs that are bundled with electricity – all coming from the renewable energy facility. If that facility is outside a CBA, the electricity must be scheduled into the CBA, and only the fraction of the schedule actually generated by the renewable facility may count (i.e., any Ancillary Services needed to support the schedule are not counted).

PCC 2: Bundled RECs – using substitute energy delivered within the same calendar year – from facilities that are outside of a California Balancing Authority (CBA). In other words, these are RECs that are bundled with electricity, but the electricity scheduled into the CBA does not have to come from the renewable energy facility in real time. Instead, the electricity is provided by a substitute facility, as long as the electricity is scheduled into the CBA within the same calendar year.

PCC 3: Unbundled RECs originally associated with generation from an RPS-facility (but where no energy is actually procured) or unbundled RECs that do not qualify for PCC 1 or PCC 2. SCP’s Board chose to never use PCC3 resources to reduce greenhouse gas emissions, and has avoided purchasing PCC3 altogether since the end of 2014.

In accordance with its RPS requirements, SCP must acquire and retire RECs in line with the following PCC-related restrictions:

<table>
<thead>
<tr>
<th>Year</th>
<th>Compliance Period</th>
<th>RPS Requirement (% of Retail Sales)</th>
<th>PCC 1 Minimum (% of RPS)</th>
<th>PCC 3 Maximum (% of RPS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1</td>
<td>20.0</td>
<td>50</td>
<td>25</td>
</tr>
<tr>
<td>2012</td>
<td>1</td>
<td>20.0</td>
<td>50</td>
<td>25</td>
</tr>
<tr>
<td>2013</td>
<td>1</td>
<td>20.0</td>
<td>50</td>
<td>25</td>
</tr>
<tr>
<td>2014</td>
<td>2</td>
<td>21.7</td>
<td>65</td>
<td>15</td>
</tr>
<tr>
<td>2015</td>
<td>2</td>
<td>23.3</td>
<td>65</td>
<td>15</td>
</tr>
<tr>
<td>2016</td>
<td>2</td>
<td>25.0</td>
<td>65</td>
<td>15</td>
</tr>
<tr>
<td>2017</td>
<td>3</td>
<td>27.0</td>
<td>75</td>
<td>10</td>
</tr>
<tr>
<td>2018</td>
<td>3</td>
<td>29.0</td>
<td>75</td>
<td>10</td>
</tr>
<tr>
<td>2019</td>
<td>3</td>
<td>31.0</td>
<td>75</td>
<td>10</td>
</tr>
<tr>
<td>2020</td>
<td>3</td>
<td>33.0</td>
<td>75</td>
<td>10</td>
</tr>
</tbody>
</table>

Long-Term Contracting Obligation

Starting with Compliance Period 4 (which begins 1/1/2021), at least 65% of the RECs retired for the purpose of meeting the Procurement Quantity Requirement (PQR) must come from contracts that are 10 or more years in duration.

D. Energy Storage

In December 2013, the CPUC issued Decision 13-10-040 and adopted the Energy Storage Procurement Framework and Design Program for Investor Owned Utilities (“IOUs”), Electric Service Providers (“ESPs”),
and CCA programs. In this decision, the CPUC established a goal for CCAs to procure energy storage equal to 1% of their 2020 annual peak load. To count toward the 2020 goal, energy storage projects must meet the following eligibility requirements:

- Energy storage systems must be installed and operational after January 1, 2010
- Energy storage systems must be online and delivering by the end of 2024
- Distributed storage (i.e., customer-sited or customer-owned storage) qualifies
- Electric vehicle programs qualify
- Energy storage projects must further a relevant purpose (i.e., demonstrate their ability to provide grid optimization, integration of renewable energy, or reduction of GHG emissions)
- Government funded projects may be included
- Energy storage procurement must be cost-effective

E. Greenhouse Gas Reporting

California law requires the state to reduce its greenhouse gas (GHG) emissions to 1990 levels by 2020, and to 40% below 1990 levels by 2030. The first goal was recently reached, with 1990 levels of GHG emissions reached in mid-2018. To help achieve the reductions needed by 2030, the California Air Resources Board (CARB) – which is a department within the state’s Environmental Protection Agency – enforces an emissions Cap & Trade program. This program, which covers electricity generators, electricity importers, industrial facility operators and fuel distributors, requires covered entities to obtain emissions allowances, the total supply of which is ramped down over time. As part of the Cap & Trade program, CARB also requires covered entities to report their emissions on an annual basis. One important note: CARB allows covered entities to exclude (for compliance purposes) the emissions associated with Category 2 RPS (i.e., the emissions associated with electricity used to firm and shape renewables from non-California balancing authorities). This compliance exception is known as the “RPS Adjustment.”

SCP has contracts with electricity generators and electricity importers, but SCP is not itself a generator or importer. As a result, SCP is not a covered entity under California’s Cap & Trade program. However, SCP is an “Electric Power Entity” as defined in the California Code of Regulations (CCR) and is therefore required to report its retail sales to CARB on an annual basis (17 CCR 95111). In addition, SCP voluntarily has its GHG emissions audited and reported by The Climate Registry (TCR), a non-profit organization that the investor-owned utilities have used for many years as their means to measure and communicate the impacts of their GHGs from retail sales. Through its Electric Power Sector Protocol, TCR audits SCP’s emission factors, allowing SCP to have published utility-specific GHG emission factors that its customers can use to quantify their own emissions. The use of TCR was long the only option for reporting emissions from retail sales because CARB’s Mandatory Reporting Requirements were expressly developed for producers and importers and could not be used to measure impacts associated with purchased energy to serve retail customer load.

Available online at: https://www.theclimateregistry.org/our-members/cris-public-reports/
The practice of relying on The Climate Registry for GHG reporting for retail sales will eventually be replaced by the CEC’s rules under AB 1110 (see “Power Source Disclosure” section directly below), however that methodology is not yet finalized.

F. Power Source Disclosure

California law requires load-serving entities (LSEs) to disclose the types of power resources used to serve customers. This mandate, known as the Power Source Disclosure (PSD) program, is a consumer information program enforced by the California Energy Commission (CEC) on an annual basis. More specifically, LSEs are required to submit detailed reports to the CEC and mail simplified one-pagers to customers each summer. With respect to the one-pager, the CEC requires that LSEs use the exact same template, called the “Power Content Label,” which allows customers to easily compare a specific LSE’s resource mix to the California average. SCP’s draft 2017 Power Content Label is below. The final version will be mailed to customers in August 2018.

<table>
<thead>
<tr>
<th>ENERGY RESOURCES</th>
<th>SCP CleanStart</th>
<th>SCP EverGreen</th>
<th>2017 CA Power Mix**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible Renewable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biomass &amp; biowaste</td>
<td>45%</td>
<td>100%</td>
<td>29%</td>
</tr>
<tr>
<td>Geothermal</td>
<td>0%</td>
<td>0%</td>
<td>2%</td>
</tr>
<tr>
<td>Eligible hydroelectric</td>
<td>11%</td>
<td>100%</td>
<td>4%</td>
</tr>
<tr>
<td>Solar</td>
<td>0%</td>
<td>0%</td>
<td>3%</td>
</tr>
<tr>
<td>Wind</td>
<td>11%</td>
<td>0%</td>
<td>10%</td>
</tr>
<tr>
<td>Coal</td>
<td>23%</td>
<td>0%</td>
<td>10%</td>
</tr>
<tr>
<td>Large Hydroelectric</td>
<td>42%</td>
<td>0%</td>
<td>15%</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>0%</td>
<td>0%</td>
<td>34%</td>
</tr>
<tr>
<td>Nuclear</td>
<td>0%</td>
<td>0%</td>
<td>9%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
<td>0%</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Unspecified sources of power*</td>
<td>13%</td>
<td>0%</td>
<td>9%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

* "Unspecified sources of power" means electricity from transactions that are not traceable to specific generation sources.
** Percentages are estimated annually by the California Energy Commission based on the electricity sold to California consumers during the identified year.

For specific information about this electricity product, contact: Sonoma Clean Power Authority

855-202-2139

For general information about the Power Content Label, please visit: http://www.energy.ca.gov/pol/

For additional questions, please contact the California Energy Commission at: 844-454-2906
California Assembly Bill 1110, which was passed in 2016, directs the CEC to modify the Power Source Disclosure program as follows: the CEC must require LSEs to disclose (in addition to the power sources that they already disclose) the GHG emissions intensities associated with the portfolios they offer to their customers, beginning in 2020 for the 2019 reporting year. In order to implement this new law, the CEC began engaging stakeholders in 2017 and has shared pre-rulemaking staff proposals for modifying the Power Source Disclosure program. A final rulemaking is expected in late 2018 or early 2019.
5. Customer Load

A. Historical Number of Enrolled Customers

As previously stated, SCP is the default electricity provider for Sonoma and Mendocino counties, while customers have the right to opt-out and remain with PG&E. The current participation rate for SCP is 87%, meaning that 13% of eligible customers have opted out.

SCP began serving customers in May 2014 and has served Sonoma and Mendocino counties in the following phases:

- Phase 1- May 1, 2014 began serving commercial and industrial customers and a random selection of 5,000 residential customers in Unincorporated Sonoma County, Cotati, Santa Rosa, Sebastopol, Sonoma, and Windsor
- Phase 2- Dec 1, 2014 added the remaining residential customers in the jurisdictions listed above
- Phase 3- Jun 1, 2015 added all customers in Cloverdale, Petaluma, and Rohnert Park
- Phase 4- Jun 1, 2017 added all customers in Unincorporated Mendocino County, Fort Bragg, Point Arena, and Willits

The figure below shows the number of customers through each phase. Note that in October 2017, the Tubbs and Nunn fires destroyed approximately 3,800 accounts. The number of customers as of Dec 31, 2017 was 221,309 which was comprised of almost 86% residential accounts.

![Total Number of Customers](image-url)
The number of EverGreen accounts (SCP’s 100% local renewable option) has steadily increased through each of the phases as shown in the following figure. The number of EverGreen customers as of Dec 31, 2017 was 1,587 (0.72% of SCP’s total customers).

![EverGreen Number of Customers](image)

B. Historical Load (MWh)

The table below shows the historical annual load (MWh) for 2015-2017. 2014 is not included because it does not represent a full year and the phasing in of customers was not representative of SCP’s typical customer base.

Load is given in Loss Adjusted Load (LAL) MWh and retail sales MWh. LAL is the amount of energy that is procured on behalf of SCP’s customers at the sources of generation, retail sales is the amount of energy measured and invoiced at the customer meter as follows:

\[
\text{LAL MWh} = \text{line losses MWh} - \text{unaccounted for energy MWh} = \text{retail sales MWh}.
\]

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total MWh LAL</strong></td>
<td>2,126,623</td>
<td>2,336,362</td>
<td>2,541,056</td>
</tr>
<tr>
<td><strong>TOTAL MWh retail sales</strong></td>
<td>1,987,001</td>
<td>2,186,726</td>
<td>2,379,874</td>
</tr>
<tr>
<td>CleanStart</td>
<td>1,980,353</td>
<td>2,178,195</td>
<td>2,366,381</td>
</tr>
<tr>
<td>EverGreen</td>
<td>6,648</td>
<td>8,531</td>
<td>13,493</td>
</tr>
</tbody>
</table>
The graphs below present the historical MWh LAL across each month from 2015-2017. The first graph is total MWh and the second graph is kWh/meter (Note 1,000 kWh = 1 MWh). Energy load on a kWh/meter basis is significant for forecasting purposes when the number of customers changes between periods. For example, the historical load in May 2017 does not include Mendocino customers, so this will not account for the Mendocino customers for forecasting May into the future. To accommodate this, the historical kWh/meter can be used and then applied to the increased number of accounts.

Both 2015 and 2017 historical MWh loads included phasing in new customers in June. In 2015, SCP enrolled Cloverdale, Petaluma and Rohnert Park, and in 2017 SCP enrolled in Mendocino County. 2016 is the only full calendar year that did not phase in new service territory. The load is relatively flat throughout the year with higher loads in January, December, and the summer months. The higher load in January and December is likely due to increased lighting and space heating needs and the higher load in summer months is likely due to increased air conditioning needs. Note that the load significantly decreased in October 2017 due to the wildfire power outages and destroyed accounts.
On an annual basis, SCP's load is comprised of about 50% residential energy use. See the figure below for the load breakdown for 2017.

The following graph represents the average daily profile for the months of Mar, Jun, Sep, and Dec of 2017. These are representative of seasonal variations in load across the year. Note that since these are averages across every day of the month, they do not represent the peak hourly load in any given month. The graph shows load at the customer meter, so it already accounts for reductions in load due to behind-the-meter solar installations. This graph does not reflect any supply resources, which will be covered in subsequent sections of this report.

June and September follow similar average daily profiles with the most usage in the afternoon hours likely due to increased air conditioning needs. March is similar to June and September from 8 pm to 10 am. The middle of the day in March shows lower loads than June and September likely due to the milder temperatures decreasing the need for air conditioning. March and December usage spikes in the early evening likely due to residential lighting needs due to shorter days. The average hourly load for hours in December nighttime hours is higher than the other seasons likely due to holiday lights and space heating needs. Similarly, December usage is higher than March during the daytime hours likely due to increased space heating needs.
C. Historical Peak (MW)

SCP’s annual peak load for 2015-2017 is shown in the following table. SCP’s peak load has consistently occurred in September in the afternoon.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peak MW</td>
<td>489</td>
<td>454</td>
<td>580</td>
</tr>
<tr>
<td>Day of Peak</td>
<td>Thu, Sep 10</td>
<td>Mon, Sep 26</td>
<td>Fri, Sep 1</td>
</tr>
<tr>
<td>Hour of Peak</td>
<td>3 pm</td>
<td>3 pm</td>
<td>4 pm</td>
</tr>
</tbody>
</table>

The graphs below present the historical peak across each month from 2015-2017. The first graph is total peak MW and the second graph is the peak kW/meter (Note 1,000 kW = 1 MW). Peak kW/meter is significant for forecasting purposes because the number of customers and meters change over time. Peak kW/meter serves as a better forecast indicator than total historic peak KW.

It is interesting to note that while January and December have increased load (MWh) as shown previously, both month’s peak hourly MW is less than the peak hourly MW in the summer.
D. Forecast Customer Load

The historical data previously presented is essential to forecasting load (MWh) and peak (MW) into the future. Load forecasting is critical to support SCP’s procurement activities. The financial exposure to real-time markets when the forecasted load does not match the actual load, along with procurement requirements of supply resources to meet that load, drive the need to forecast future loads with as much certainty as possible.

Reliable load forecasting enables resource procurement that seeks to minimize imbalances and provide predictable costs that in turn support stable and competitive pricing. SCP load forecasting uncertainty is most affected by the following factors:

1. The number of customers taking service from SCP, including population changes in Sonoma and Mendocino Counties and customers switching their electric service between SCP and PG&E;
2. Under- or over-performance of SCP programs that impact load (such as NetGreen net metering, electric vehicle programs, energy efficiency and fuel switching);
3. Load changes from external factors such as economic business cycles or new emerging industries; and,
4. Weather patterns or events, which can unexpectedly impact customer electric consumption.

Forecasting methodology

SCP’s load forecast uses actual recorded historical data in order to forecast forward. For the purpose of this IRP, SCP has forecast through 2030 and has used the following process:

1. Forecast number of customer meters
   - Establish historical steady-state opt-out and participation rates (excluding the first couple months following a phase-in) for each customer type.
   - Use U.S. Census Bureau historical population and housing unit increases for Sonoma and Mendocino counties.
   - Develop fire rebuild estimates to forecast the number of returning customer meters through 2025.

2. Forecast kWh/meter profile:
   - Establish historical (2015-2017) kWh/meter profiles using actual recorded kWh and the quantity of meters for each customer type for each hour
   - Choose a representative kWh/meter profile for each month based on historical kWh/meter averages, weather, extreme natural events, economic and behavioral shifts

3. Calculate kWh profile
   - Multiply the total forecasted quantity of meters (#1 above) by the kWh/meter profile (#2 above) to arrive at a base kWh profile
Incorporate additional factors that impact load over the planning horizon

- Current efficiency and building electrification trends were forecast forward through 2030. These numbers will be refined in future planning processes as more data is available on SCP program uptake.
- Behind-the-meter solar capacity forecast was determined using yearly capacity increase trends reported for Sonoma and Mendocino counties from California Distributed Generation Statistics http://www.californiadgstats.ca.gov/charts/
- Electric vehicle goals of SCP’s programs were used to forecast forward electrification

Forecast Load (MWh)

The following chart shows the 2030 forecasted load due to each factor described above. It illustrates that SCP’s load over the planning horizon is projected to decrease slightly. Moving from left to right, the 2019 “Base” year forecast load increases by 2.49% from population and rebuilding and by 6.03% from electric vehicles. This increase in forecast load is offset by a projected decrease in load of 2.78% from energy efficiency and 5.88% from Behind-the-Meter (BTM) solar. The total net decrease in load from the “Base” year to 2030 is 0.13%.

The table below shows the forecasted annual load (MWh) for 2020, 2025, and 2030.
The graph below presents the actual 2017 monthly load (MWh LAL) compared to the forecast for 2030.

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2025</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total MWH LAL</td>
<td>2,720,980</td>
<td>2,717,657</td>
<td>2,717,746</td>
</tr>
<tr>
<td>TOTAL MWh retail sales</td>
<td>2,547,735</td>
<td>2,544,621</td>
<td>2,544,706</td>
</tr>
<tr>
<td>CleanStart</td>
<td>2,522,258</td>
<td>2,506,452</td>
<td>2,493,812</td>
</tr>
<tr>
<td>EverGreen</td>
<td>25,477</td>
<td>38,169</td>
<td>50,894</td>
</tr>
</tbody>
</table>

The following graph represents the forecast average daily profile for the months of Mar, Jun, Sep, and Dec for 2030. These are representative of seasonal variations in load across the year. Note that since these are averages across every day of the month, they do not represent the peak hourly load in any given month. As more efficiency and behind the meter solar installations occur, the average daily load in 2030 is expected to increase into the evening as electric vehicles are returning to residences to be charged. The load is expected to drop off again as people go to sleep and lights and appliances are turned off. The impacts of building electrification, behind the meter storage, and GridSavvy will be assessed each year and as data becomes available, SCP peak forecast may be adjusted.
Forecast Peak (MW)

SCP’s forecast annual peak MW load for 2020, 2025, and 2030 is shown in the following table. SCP’s peak load is forecast to continue to occur in September, however as continued efficiency and behind the meter solar installations occur, the afternoon peak is expected to shift more and more into the evening as electric vehicles are returning to residences to be charged. The impacts of building electrification, behind the meter storage, and GridSavvy will be assessed each year and as data becomes available, the peak forecast may be adjusted.

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2025</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peak MW</td>
<td>571</td>
<td>561</td>
<td>558</td>
</tr>
<tr>
<td>Day of Peak</td>
<td>Fri, Sep 4</td>
<td>Fri, Sep 3</td>
<td>Thurs, Sep 12</td>
</tr>
<tr>
<td>Hour of Peak</td>
<td>4 pm</td>
<td>5 pm</td>
<td>7 pm</td>
</tr>
</tbody>
</table>

The graphs below present the actual peak for each month from in 2017 compared to the forecasted peak for 2030.
6. Resource Plan

A. Strategy

SCP employs a number of wholesale procurement strategies to secure low-cost, and low cost-volatility power. For example, SCP procures a diverse mix of generation types through contracts that are primarily long-term. In addition, SCP has structured a hedging plan and uses congestion revenue rights to reduce its exposure to basis risk. SCP also maintains a low overhead cost structure with a small staff.

SCP also has significant influence over a number of important areas, including:

- Land use policies that promote development in transit-friendly, energy efficient and lower-cost-of-service locations
- Customer-owned distributed energy resources to support an affordable, reliable, low-carbon grid
- Universal access to electric vehicles and charging infrastructure
- Efficient and zero carbon buildings that rely less on “netting” and more on meeting real-time energy needs
- Low energy intensity agriculture
- Non-wires alternatives to both transmission and distribution reliability
- Advocating for lower cost energy policy and regulations

While SCP does not have direct control over the results of these ambitions, it nevertheless has a responsibility, and is actively working in all of these areas.

Ability to Contract

While the newness of CCAs means that a conversation about credit is a part of every supply contract negotiation, SCP has been able to successfully execute all of its intended transactions. It is SCP’s understanding this experience is common to all of the 18 operating CCAs, meaning that concerns about credit by new CCAs do not appear to be well founded—at least so far.

SCP has prepared to obtain even stronger credit positioning through careful and conservative financial management. In the four years since SCP launched service, it has gone from $8 million in debt financing to a net position of $75 million (May 2018) with no debt. The agency currently holds reserves equal to four months of expenses and its Board has adopted a financial policy to continue building reserves until six months of expenses are held.

Reliability Planning

In addition to providing system reliability, SCP has roles in integrating renewable sources and helping avoid some IOU investments. With respect to providing reliable power, SCP takes great pride in moving rapidly toward providing over 90% of all energy from zero and near-zero GHG sources in a manner that all electric providers could afford to copy. Doing this requires significant effort to support a reliable grid while using intermittent (wind) and variable (solar) resources in growing amounts.
Procure a diverse portfolio of renewable and hydropower sources designed to match real-time customer load to the greatest extent practical.

Negotiate for curtailment rights and flexibility from solar and wind resources, and plan to begin integrating storage into future solar and wind facilities.

Prepare to aggregate large amounts of customer load through automated demand response to provide hourly load shaping with both up and down regulation. Include stationary storage in this resource.

SCP also recognizes the significant potential ratepayer savings from using customer-owned resources to provide distribution system reliability, and advocates for the ability to provide non-wires alternatives.

B. Resource Plan Overview

SCP has a policy to plan ahead to ensure its sources for default service are a minimum of 30% lower in greenhouse gas (GHG) intensity than PG&E’s default service. SCP’s long-term goal is to nearly-eliminate its portfolio emissions, and so it has set ambitious targets as follows:

- 75 lb CO₂e/MWh (0.034 MT CO₂e/MWh) by 2030
- 50% RPS-eligible energy by 2020, 10 years ahead of its CPUC requirement

While the RPS target doesn’t directly translate into reduced greenhouse gas emissions, it indirectly supports the transition toward a climate-smart grid.

Current Power Supply

SCP works to power Sonoma and Mendocino Counties with clean electricity, while keeping customer rates low and stable. In 2017, SCP provided its retail customers with 2,367,075 MWh of electricity, 87% of which was sourced from renewables and large hydro, as illustrated in the chart below. The remaining 13% of SCP’s retail load was sourced from CAISO system power.

To produce the 2017 power portfolio illustrated above, SCP had the following contracts:
- 50 MW of local baseload geothermal from the Geysers facility in Sonoma County
- 70 MW of utility-scale solar from 2 solar projects in Lemoore, CA
- 46 MW of utility-scale wind (which went commercial in November 2017) from a repowered wind facility in Livermore, CA
- Energy contracts for large hydro from out-of-state delivered to the CAISO
- Energy contracts for PCC 2. This is renewable power that is generated within the Western Interconnection and delivered (using substitute power) to the CAISO within the calendar year. Such contracts are known as Portfolio Content Category 2 (PCC 2) and qualify as renewable contracts under California’s Renewable Portfolio Standard (RPS) regulations.

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.

In 2017, SCP’s estimated emissions (not yet third party verified) totaled 134 lbs CO\textsubscript{2}e /MWh (0.06 metric tons CO\textsubscript{2}e/MWh).

**Planned Future Power Supply**

SCP plans to continue local renewable development and contracting for increased renewable and carbon-free resources. SCP specifically highlights the investment in local renewable development within Sonoma and Mendocino Counties. By 2030, SCP plans to have 56 MW of local renewable sources to specifically serve EverGreen customers and supplement the default CleanStart service. SCP plans to have 50 MW of Sonoma County geothermal and 6 MW of solar in Sonoma and Mendocino counties. SCP plans on the following sources through 2030:

- Geothermal (RPS Portfolio Content Category 1) - In addition to the existing 50 MW of geothermal resources under contract from the Geysers facility in Sonoma County through 2026, SCP plans to procure comparable resources under long-term contract after 2026.

- Solar (RPS Portfolio Content Category 1) - In addition to the 70 MW of utility-scale solar in Lemoore, CA, SCP has 2 MW of Feed-In-Tariff solar in Sonoma County that came online in April 2018. SCP has another 3 MW of Feed-in-Tariff solar under contract in Sonoma County and 1 MW of Feed-in-Tariff solar under contract in Mendocino County. The Feed-in-Tariff projects are expected to come online in late 2018 and mid-2019. SCP is actively working on additional solar contracts to increase the total solar portfolio to 146 MW before 2030.

- Wind (RPS Portfolio Content Category 1) - In addition to the 46 MW of utility-scale wind built and operating in Livermore, CA, SCP recently executed a contract for another 80 MW of utility-scale wind in Northern California. It is expected to come online by January 1, 2021, for a total of 126 MW of wind in 2030.

- Large Hydro - SCP currently has several energy contracts for large hydro both in-state and out of state. Currently, SCP does not contract for shaped hydro.
- Additional short term RPS - SCP currently has PCC2 energy contracts for renewable power that is generated within the Western Interconnection and delivered (using substitute power) to CAISO within the calendar year. SCP plans to utilize short term RPS contracting for either PCC1 or PCC2 resources to true up any needs due to load forecasting variable resource forecasting adjustments through the planning horizon.

- Storage - In accordance with CPUC Decision 13-10-040, SCP must demonstrate storage equal to at least 1% of its 2020 annual peak load with such systems online and delivering by the end of 2024. Accordingly, SCP is actively working on a contract for 5 MW of storage starting in 2023. SCP is also allowed to count portions of customer-installed storage projects towards its 1% requirement, and such portions totaled 0.77 MW as of June 1, 2018. This totals 5.77 MW of currently planned storage in 2030. As more data becomes available on the operation of SCP’s 5 MW storage project, SCP will revisit potential additional storage capacity targets.

- CAISO System Power- SCP plans on steadily decreasing its reliance on system power each year to comprise less than 10% of total power purchases by 2030.

- 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 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.

The following graphs show the current and planned resource generation for each year 2019-2030 as outlined above. The ‘Current Procurement’ graph shows resources under contract or in active negotiation. The ‘Current + Planned Procurement’ graph shows the additional resources that SCP plans to procure through 2030.
The following chart shows the SCP planned percent power mix for 2030.

**SCP’s 2030 Power Sources**

**Hourly Load and Supply Matching**

In addition to realizing annual targets, the SCP procurement strategy is to work toward aligning the hourly resource supply with the hourly customer load demand. First, SCP procures resources to closely follow the typical demand profile, next SCP endeavors to adjust the load profile through customer programs that will closer align with and react to the real-time profile of the generation sources. This is described further in Chapter 7 Integrated Procurement of Supply and Demand Resources.
The 2030 forecasted hourly profile of SCP's renewable resources is matched with the forecasted load to obtain the hourly net open position as shown in the following graph. Hydropower is not included in this graph because SCP does not have insight into the dispatch profile of future hydropower contracts. This graph helps SCP determine periods within the year that hydropower would be most beneficial. The graph shows a few hours of the year where SCP's forecasted renewable supply is greater than the forecasted load. Note that SCP also has the ability to curtail resources when desired and is actively working on contracts that allow for an agreed amount of curtailment hours without penalty or payment.

The following graph shows the average daily net open position for March, June, September, and December 2030. This level of forecasting shows seasonal variations in hourly open position that inform what hours are needed to fill with a potential future shaped hydropower contract.

The following graphs show another view of the graph presented above, however instead of just net open position, they explicitly show the 2030 forecasted average daily customer load and average daily resource supply. The difference between the load line and the supply area is the net open position.
7. Integrated Procurement of Supply and Demand Resources

A. Procurement

SCP procures both supply and demand resources to meet its customer needs. The integration of this effort, and the reliance on customer-owned resources, has growing importance as California continues to increase its use of solar and wind.

Supply Resources

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

SCP also operates ProFIT, a feed in tariff program designed to promote medium-sized solar installations in Sonoma and Mendocino counties that has resulted in six contracts to build approximately 6 MW, 2 MW of which came on line in April 2018.

B. Demand Resources

SCP currently operates 17 customer programs, all of which are designed to keep energy affordable while reducing greenhouse gas emissions and supporting grid reliability. SCP does not currently see value in duplicating or competing with PG&E’s customer programs, but instead advertises them to customers or thinks of creative ways to layer additional offerings on those programs. SCP’s programs can be categorized to have the following impact on SCP loads: renewable integration/system reliability, load reducing, load shifting, and minimal load impact. For more comprehensive information on SCP’s customer programs, see the Programs Group Strategic Action Plan (Exhibit B).

Programs that Support Renewable Integration and System Reliability

While SCP doesn’t focus specifically on programs that build load, goals such as the displacement of petroleum in on-road transportation and natural gas in building heating and water heating have a natural effect of increasing customer electrical usage while reducing greenhouse gas emissions. Programs that
build load are paired with strategies to shift this increased load to minimize additional need for supply resource procurement or costly grid infrastructure upgrades.

Through its Drive EV Program, SCP has negotiated 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. Based on a post-program evaluation, the 2017 program is anticipated to save 4,985 metric tons of CO2-equivalent over the next three years.

Based on post-purchase surveys, most Sonoma and Mendocino county EV owners want to charge their vehicles at home. To this end, SCP provides Free Residential Level 2 Charging Stations to its customers. This program resulted in the shipment of 1681 (as of June 1, 2018) electric vehicle charging stations. SCP works to ensure charging stations are not used during the evening ramp period by integrating the chargers into its GridSavvy program.

A program to incentivize the purchase of EV’s by local non-profits has resulted in 3 EVs being provided. This program will continue into 2019.

SCP is currently operating a workplace charging pilot program to help 5 workplaces in Sonoma and Mendocino counties evaluate the costs and benefits of installing large scale electric vehicle charging station projects. This program works collaboratively to funnel customers to PG&E’s EV Charge Network program.

The Advanced Energy Rebuild Program is a unique program created in partnership with PG&E and the BAAQMD to incentivize those rebuilding their homes after the 2017 fires to do so in an energy efficient and carbon-free manner. While these homes will represent a significant reduction in load over their pre-fire equivalents, SCP expects to see a gradual increase in customer load as these homes come online.

**Programs that Reduce Load**

Load reduction programs tend to be cost effective per current CPUC cost-effectiveness metrics, which make them a natural fit for investor-owned utilities (IOU) like PG&E. Because of SCP’s efforts to not duplicate existing PG&E programs and its ability to more quickly establish customer programs, SCP instead chooses to focus on areas where we can innovate and be more responsive to Sonoma and Mendocino counties’ specific needs.

A net energy metering program called NetGreen has resulted in payments of $1.4 million to 2,900 customers who have produced excess local renewable energy.

SCP has partnered with Sonoma County and the Sonoma County Water Agency to provide Do-It-Yourself Energy and Water Saving Toolkits that include energy and water efficiency devices such as LED lightbulbs, low-flow devices, weatherstripping at almost all libraries in SCP’s territory. The toolkits, which can be checked out for free just like a book, have been checked out 296 times as of June 2018.

In Summer of 2018, a program designed to promote low income solar installations on homes was initiated in partnership with Grid Alternatives. The program is currently evaluating the installation of solar on 30 qualified Sonoma Clean Power customer leads.

SCP funds Solar Sonoma County, which provides support to local residents who wish to install renewable energy systems. Solar Sonoma County provides impartial advice regarding PV siting, financing and contractor selection.
SCP has a program to provide free assistance to commercial customers with energy audits or in planning and implementing energy efficiency upgrades on an as-needed basis.

SCP was awarded a $9.8M grant from the CEC to promote energy efficiency and fuel substitution technologies in the residential built environment. The goal of the grant is to deploy energy efficiency in a total of 300,000 square feet of customer space and reduce energy usage by 10% in participating residential projects and 20% in participating commercial projects.

**Programs that Shift Load**

SCP has progressed from traditional utility program models to start thinking about time-valuation of energy and how best to match customer load with procured supply.

A Commercial and Industrial Battery Storage Pilot Program was implemented to assist commercial customers in reducing their demand charges through battery storage. Properties for the pilot were targeted based on an analysis of SCP customers with the largest peak demand.

A market assessment of the potential for heat pump water heaters in SCP territory was completed. SCP is working with heat pump water heaters to ensure products are capable of receiving a remote OpenADR signal so that heat pump water heater thermal storage capacity can be more readily leveraged as a grid resource in the GridSavvy program.

GridSavvy is a grid reliability platform with the capability of automatically dispatching technologies such as electric vehicle chargers, heat pumps, thermostats and stationary batteries to both increase and decrease load on a fast signal. The goal of GridSavvy is to achieve Proxy Demand Response participation in 2020, Non-Generating Resource participation in 2024 and qualified System Resource Adequacy in 2030. Currently there are over 500 customers that are participating in GridSavvy’s first offering, which controls electric vehicle charging stations.

**Programs with Minimal Load Impact**

An Induction Cooking Lending Program has been established so customers can borrow and test induction cooktops. While there is minimal load impact of this effort, it is hoped to encourage installation of induction cooktops in new construction and retrofit projects.

The SWITCH electric vehicle education program placed 5 electric kit cars in local high schools in Sonoma and Mendocino counties to educate students about the manufacture and maintenance of electric vehicles. While this program is not expected to have direct impacts on customer load, it is seen as an educational resource that may increase EV penetration in the future.

An Energy Education Program for Schools was initiated in the Fall of 2017 and ran through the school year, reaching over 10,000 students with information about energy efficiency, climate change and actions students can take to help the environment.
Methods for the long-term planning of demand resource grid impacts are still rudimentary, and lacking important sources of data. While SCP routinely makes estimates of EV adoption rates, residential efficiency programs, updates to Title 24 building codes, amounts of new customer-owned solar power, etc., there are a number of data sources that would greatly improve the ability to forecast demand resources and the financial value of those resources. These include:

- Use of actual residential smart meter data for scheduling loads into CAISO. Currently, IOUs use average profiles for residential customers rather than actual demand profiles, meaning that load-serving entities cannot generate the same financial rewards from residential customer participation in demand response programs, thereby leaving these customers behind.

- Public access to gasoline and diesel fuel sales by ZIP code to allow more accurate fuel switching calculations from transportation electrification efforts.

- Public access to real-time electric circuit data and regular updates to approved connected loads and net-metered resources by circuit to allow improved distributed energy resource planning by customers, CCAs and third parties.

C. Managing Risks

Supply Resource Risks

When making power procurement decisions, SCP considers numerous market factors which may include the following:

- Market price risks (CAISO LMPs, RA prices, RPS prices, Specified-source prices, etc.)
- Locational price risk of physical resources
- Counterparty credit risk
- Contract language in long-term contracts
- 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)

The primary price risks are legislative and regulatory. For example, SCP may procure its portfolio using current and existing guidelines in order to meet our agency goals while meeting or exceeding state mandates. Should the laws change or be implemented differently that originally intended, this would cause SCP to have to procure additional resources in order to meet the mandates, resulting in overprocurement and additional customer costs. Other common business risks include load forecast error, unexpected changes in customer participation, supply forecast error (e.g., variable generation output of solar and wind resources), generation curtailment risks, and forward pricing peak and off-peak unhedged energy.
These risks are managed through several common approaches, including diversity of supply technology, location, length, supplier, and financial hedging. SCP has signed long-term contracts with geothermal, solar, and wind renewable resources to minimize dependence on any one supply resource type. SCP’s supply is also geographically diverse in Northern California to manage to price spread from the generator LMP to the load LMP. Using various locations in Northern California enable SCP to manage any large variances between what we purchase from the CAISO (load bids) and what we sell to the CAISO (generation offers). SCP seeks to spread the mix of generation resources over various LMP locations, so that the price risk is not too concentrated in any one area. In addition to carefully selecting the physical location of renewable assets, SCP will stagger the contracting terms for our long-term contracts. Some long-term contracts are for 10 years, while others are for 20 years. SCP works with expert industry counsel to negotiate these long-term contracts in order to anticipate market changes that will enable SCP to be protected under changing conditions. SCP also financially hedges its position. Instead of making one big purchase to fill a position, SCP makes multiple purchases over time, providing flexibility to respond to market conditions while achieving budget predictability. SCP will benefit in periods of price declines, as well as have the security of knowing that price increases will be mitigated over time. This helps SCP achieve our business goals, manage price risk and achieve budget certainty.

Although the capacity market in California is evolving, SCP has taken steps to hedge our risk for changing market rules and conditions. Currently, the capacity market mandates an LSE must be 100% complete for meeting their Local Area capacity obligation 60 days before the beginning of a calendar year. SCP has gone out as far as 20 years to hedge some of that obligation. In fact, SCP has ~80% of its anticipated Local Area obligation purchased for the next four years.

**Demand Resource Risks**

Common risks associated with demand resources include:

- **Availability of dispatch.** Smart grid devices, such as thermostats, heat pumps, electric vehicle chargers, solar inverters and batteries, may be part of an aggregated resource bid into the CAISO’s Proxy Demand Resource or Non-Generating Resource markets, PG&E’s DRAM, or potentially full qualifying Resource Adequacy. However, a key element of each of these markets is the level of certainty that the resource will respond to a signal, when requested. SCP plans to mitigate this risk through statistical diversity of customers, including a margin for error, and operating networks to test availability and response before committing grid resources.

- **Incomplete participation.** The process for enrolling customer resources in grid services is cumbersome and complex, involving multiple forms, and several steps for registration. SCP is working to streamline enrollment to make participation easier. To date, SCP estimates that less than one quarter of installed smart grid resources are currently registered in a grid resource.

- **Legislation.** Barriers to customer participation in grid reliability are routinely proposed in legislation, likely because they pose a risk to supply-side resource providers. SCP works to ensure that customers retain the ability to use smart grid technologies and to receive full value for those technologies, including offsetting supply-side resources when appropriate.
8. Exhibit A: CPUC IRP Compliance Filing
9. Exhibit B: SCP Programs Strategic Action Plan