



Staff Report - Item 08

To: Sonoma Clean Power Community Advisory Committee

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Issue: Receive Geothermal Opportunity Zone Update

Date: February 20, 2025

Background

The Geothermal Opportunity Zone (GeoZone) is SCP's initiative to secure affordable, reliable clean energy for our customers by building 600 megawatts of new geothermal power capacity in Sonoma and Mendocino Counties. This will eventually enable SCP to phase out its dependence on natural gas power plants for reliability. The Community Advisory Committee (Committee) meetings are a regularly scheduled public forum for the community to receive updates and provide input on the GeoZone. The updates provided to the Committee each month, and minutes from any discussion are posted on SCP's website at <https://sonomacleanpower.org/geozone-public-updates>. Staff incorporate any feedback received from the Committee presentation into the monthly updates to the Board of Directors. Additional background on the GeoZone can be found on the GeoZone webpage at <https://sonomacleanpower.org/geozone>.

Cloverdale GeoZone Townhall

Sonoma Clean Power hosted its second GeoZone Town Hall on Thursday, February 6, 2025, at the Cloverdale Veterans Memorial Building. Despite the unfavorable weather, the event still had over 60 in-person attendees and 28 virtual attendees on Zoom. Refreshments and Spanish translation services were provided.

Guest speakers included Sonoma County District 4 Supervisor James Gore, SCP Director and Mayor of the City of Cloverdale Todd Lands, and Michael Allen of the

North Bay Building Trades Council. The agenda included welcome remarks from SCP staff and Supervisor Gore, followed by a presentation on the GeoZone initiative, and then comments and questions from the audience for panelists.

Overall, it was a productive evening, and staff received a lot of good questions and engagement from the crowd. The biggest topics/concerns were the risk of seismic activity and how to guarantee oversight from the community and elected officials as these projects are developed. Other common themes were water use, land use, and impacts to existing infrastructure (e.g. roads).

Geothermal Legislation Package

SCP's Board of Directors unanimously approved moving forward with sponsorship of three bills to support geothermal development in California. These three bills were introduced earlier this month: [AB 526](#) (strategic state planning for new geothermal), [AB 527](#) (categorical exclusion for CEQA for geothermal exploration), and [AB 531](#) (expand eligibility for environmental leadership projects to all geothermal projects). SCP participated in a Geothermal Rising industry lobby day on February 13th to raise awareness in Sacramento of geothermal challenges and opportunities and will be leading a lobby day specifically targeted at progressing SCP's geothermal legislative package in March.

Partner Updates

SCP has cooperation agreements with three private companies to progress geothermal exploration and development in the GeoZone. In the January Committee meeting, staff shared that both Chevron New Energies and Eavor are unlikely to meet their upcoming cooperation agreement milestones. Staff are committed to maintaining forward momentum on the GeoZone and considering a variety of options, including negotiating extended cooperation agreement with existing partners, pursuing new GeoZone partnerships, or both. Staff have asked Chevron New Energies and Eavor to take a first step at proposing the structure of extended cooperation agreements in the next month. Staff also attended the Stanford Geothermal Workshop in early February to reach out to other potential partners from the geothermal industry.

In late January, SCP collaborated with Cyrq Energy and Rondo Energy on completing a robust commercial economic model of the proposed thermal storage project at the Geysers. Due to reduced energy market volatility, the lack of a market signal for long-

duration storage, technical limitations, and increased costs the project team found that the proposed thermal storage project at the Geysers would be economic but not deliver a compelling return commensurate with the project's risks. Given the commercial study outcome and the large uncertainty associated with current federal funding, the project team does not expect to pursue the Department of Energy grant for which it was down selected. Staff will be deciding whether to continue progressing the thermal storage project in the next few months.