



 Sonoma
Clean Power

Local. Renewable. Ours.



2017 ANNUAL REPORT

OPTIMISTIC
Future
CLEANSTART
Independent
Ours
Renewable
Effective
Epicenter
Innovation
Local
Sonoma Clean Power
RESIDENTIAL
Serving
Choice
Customers
Inspiring
Public
Reliable
Environmental
Reinvest
BENEFIT
Climate Smart
EverGreen
Electrification
Energy

Welcome Mendocino County

Mendocino County Outreach



From before SCP began, Mendocino County was interested in joining. In fact, before most people had even heard of a Community Choice program, Mendocino was asking if they could join. Mendocino knew Sonoma Clean Power and the Community Choice Aggregation (CCA) movement was the wave of the future for electricity in California. Mendocino, however knew that it couldn't do it alone. With limited county and city resources and a small population, going it alone wasn't feasible so they continued to push for SCP. In 2016, the ball began to roll. Choice, local control, competitive rates, and cleaner electricity was coming to Mendocino County.

First, the Mendocino County Board of Supervisors voted, then the City Councils of Fort Bragg, Point Arena, and Willits voted to join SCP's program and finally, SCP's Board of Directors voted to formally invite the Mendocino community to join our program. This was a big decision for SCP as it expanded our service territory outside of Sonoma County for the first time and staff quickly got busy planning outreach events, public presentations, and connecting with key community members before the switch would take place.

Customers made the switch to SCP's default CleanStart service in June 2017 and started receiving electricity that is 90% carbon-free. Many customers in Mendocino also made a further commitment to the environment by choosing EverGreen, SCP's 100% local renewable service, which comes at a small premium, but is one of the easiest ways to support local renewable power.

SCP's Board of Directors, Community Advisory Committee, and staff welcome our new customers in Fort Bragg, Point Arena, Willits and throughout Mendocino County. We look forward to serving you. Together, we can make a difference by leading California toward a clean energy future.

Our families and friends were hit hard in 2017 with devastating fires that destroyed nearly 6,000 homes in Sonoma and Mendocino Counties, and killed at least 24 people in SCP's territory. Energy is not innocent: electric power lines are suspected as having sparked the fires, and natural gas flares intensified the fires as they burned. This means that we all have a role to play in making things right.

To start, we've lent staff to manage the protection of our creeks and watershed, committed \$1 million to relief efforts, and aided in coordinating funding requests for our region. SCP is also committed to making it possible to rebuild our neighborhoods without re-introducing natural gas to reduce the hazards of fire and protect the climate.



SCP made real progress on cutting greenhouse gas emissions in 2017 as well, working to reduce the risks of future disasters. Hundreds took advantage of our discounts on electric cars and free chargers. Our portfolio was 90% carbon free, and membership in SCP's 100% local renewable EverGreen service increased to 1,600 customers. SCP entered into a power purchase agreement that facilitated building 23 turbines at the Golden Hills North Wind Energy Center at the Altamont Pass. This re-powered project replaced older, less efficient turbines, reduced bird strikes, diversified SCP's power portfolio, and added 46 MW of in-state renewables.

As we rebuild, SCP will be fighting for funding and policy that make housing more affordable, reduce the costs of energy, and help avoid the next environmental disaster.

Geof Syphers, CEO

It has been my pleasure to serve as the Chair of the Board of Directors of Sonoma Clean Power this year. When I first became involved over 4 years ago, SCP was a concept to provide the residents of Sonoma County a choice regarding their energy provider.

We have come a long way through hard work, good planning and some luck. Today we serve over 87% of eligible residents with electrical power.

To help our neighbors to the north enjoy the same environmental and financial benefits that community choice offers, in 2017, we expanded service to supply electrical power to the residents of Mendocino County.

SCP has broken ground on our first new local project in Sonoma County. 2 MW of solar in rural Petaluma will come online early in 2018 and will add solar to our 100% local renewable EverGreen service.

SCP completed phase two of our Drive EverGreen electric vehicle incentive program, bringing the total number of new EVs SCP has brought to Sonoma and Mendocino counties to 771 in the last two years. By incentivizing the switch from gas-powered vehicles to clean EVs, we are having a significant impact on reducing greenhouse gas emissions.

Lastly, due to the devastating fires in Sonoma and Mendocino County, SCP pledged \$1 million in donations to help those effected by the firestorm, and we are committed to contributing customer programs that will assist with rebuilding stronger, more energy efficient homes in both counties. Stay strong Sonoma and Mendocino Counties!

Thank you to our customers for supporting Sonoma Clean Power. The success that we have built together promises a bright future for us all.




Bruce G. Okrepkie, Board Chair



2016 Electric Power Generation Mix*



	2016 CA Power Mix**		Sonoma Clean Power	
			CleanStart	EverGreen
Energy Resources	Percent of Total Retail Sales (kWh)			
Renewable	25%	33%	42%	100%
• Biomass & Biowaste	2%	4%	0%	0%
• Geothermal	4%	5%	8%	100%
• Eligible Hydroelectric	2%	3%	2%	0%
• Solar Electric	8%	13%	0%	0%
• Wind	9%	8%	31%	0%
Coal	4%	0%	0%	0%
Large Hydroelectric	10%	12%	49%	0%
Natural Gas	37%	17%	0%	0%
Nuclear	9%	24%	0%	0%
Other	0%	0%	0%	0%
Unspecified Sources of Power***	15%	14%	10%	0%
TOTAL	100%	100%	100%	100%

*As reported to the California Energy Commission's Power Source Disclosure Program. The figures above may not sum up to 100 percent due to rounding.




**Percentages are estimated annually by the California Energy Commission based on the electricity sold to California consumers during the identified year.

***Unspecified sources of power refers to electricity that is not traceable to a specific generating facility, such as electricity traded through open market transactions. Unspecified sources of power are typically a mix of all resource types, and may include renewables.

Sonoma Clean Power voluntarily reports our greenhouse gas (GHG) emissions to The Climate Registry (TCR) using their Electric Power Sector Protocol. The Climate Registry is a non-profit organization recognized for GHG measurement, reporting, and verification. SCP's emission factor is independently audited through TCR's third-party verification program. This allows us to have a published utility-specific GHG emission factor that our customers can use to quantify their own emissions associated with the purchase of electricity from SCP. PG&E follows the same reporting protocol and verification process.

In 2015, SCP's CleanStart service had 46% fewer GHG emissions than did PG&E's service, and EverGreen had 86% fewer emissions. At the time of this publishing, PG&E has not yet published their 2016 emission factor. SCP does not use unbundled renewable energy credits.

SCP reports our default CleanStart service as standard "Retail Power" and our voluntary EverGreen 100% local renewable service as "Special Power".

	Factor Type		Utility	Emissions Factor (lbsCO2/MWh)		
				2014	2015	2016
<div>  The Climate Registry </div>		R	Sonoma Clean Power (CleanStart)	224	218	98
		S	Sonoma Clean Power (EverGreen)	51	57	57

Greenhouse gas emissions associated with retail electricity sales by SCP as validated by The Climate Registry. www.theclimateregistry.org/our-members/cris-public-reports/

North Bay Fire Relief



Sonoma Clean Power is grateful to the first responders and local heroes who worked tirelessly during the North Bay firestorm.

We are proud to support local organizations by providing relief, and we look forward to helping rebuild stronger, more sustainable and more energy efficient communities in Sonoma and Mendocino counties.

Looking Forward. Giving Back.

Validated 2016 Results



COMMUNITY GIVING
\$150,724



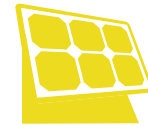
SAVED
196,153
metric tons of
carbon dioxide*



equivalent of
42,000
cars off the road



1,970,982 MWh
of clean energy
delivered to Sonoma
County



\$573,764
paid to customers
for excess solar
energy generation

SERVED 88%

of eligible
customers



\$8.8 MILLION
customer bill
savings



*This figure is the comparison between PG&E and SCP electricity emission factors only, it does not include emission savings realized through incentivizing electric vehicles and other emission reduction programs implemented by SCP. This figure is based on verified SCP emissions and estimated PG&E emissions for 2016.

Leading the Charge Toward a Clean Future

When asked why the local electricity provider for Sonoma and Mendocino counties is creating programs to incentivize customers to switch from gas-powered to electric vehicles, the answer is simple: to reduce emissions and save customers money.

SCP aims to get 10,000 EVs on Sonoma and Mendocino county roads by 2020 and 100,000 by 2030. The Drive EverGreen program offered manufacturer and local dealership purchase credits + SCP incentives + local, state and federal rebates + free chargers from SCP = big savings for SCP customers and the environment.

Since we debuted our pilot program in 2016, SCP has helped 771 customers make the switch to clean vehicles, and we're just getting started. We are working with other local agencies and large employers to make it easier to get and charge an EV.

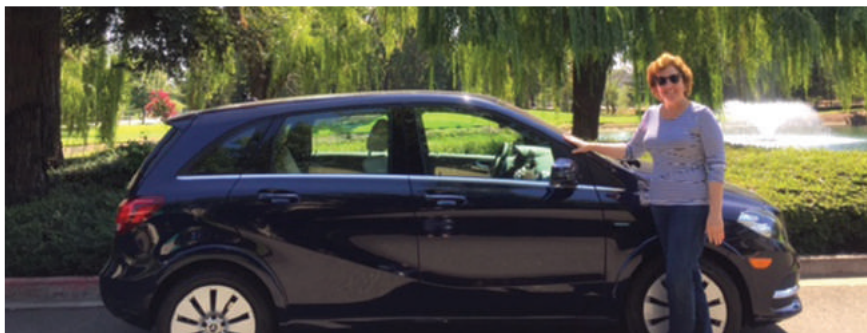


David and Susan Willoughby, Willits

"We really like the VW e-Golf and appreciate all the help you folks have provided. It was a pleasure to work with Hansel Volkswagen as well. All in all a very good car buying experience."

Susan Haydon, Rohnert Park

"Thanks to SCP's major incentives, I'm doing my part to help cut emissions. I'm proud to drive clean and green in my new whisper quiet, smooth ride!"





Cleaner electricity. Cleaner cars.

EverGreen

Legislative Update

In 2017, Sonoma Clean Power monitored 50 pieces of legislation and actively followed 12 bills. SCP also served as the Legislative Liaison for the new statewide trade association, CalCCA.

The first-year of a two-year legislative session started at full speed. SCP and the CCA community were under attack by investor owned utilities. Fortunately, the year ended well. All of the bills that would have hampered the growth of CCAs in California were either favorably amended or held.

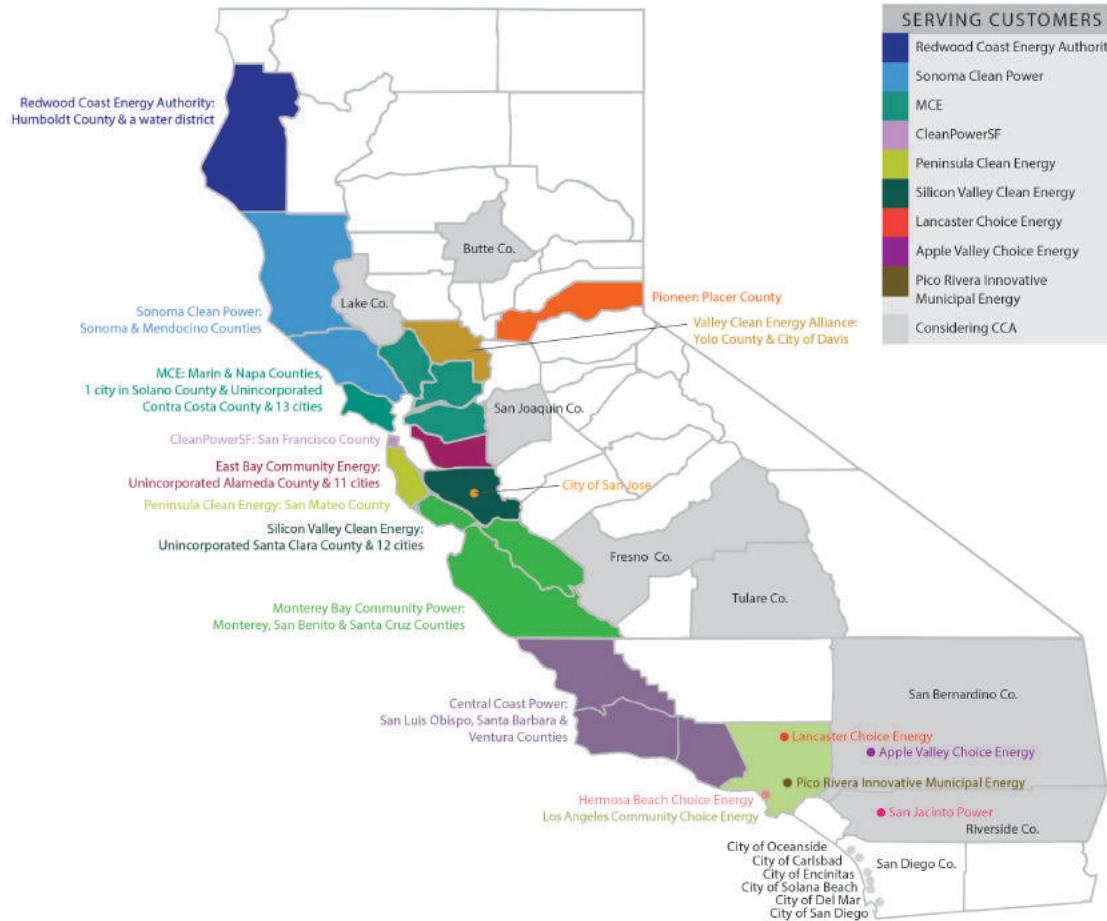
SB 618, introduced by Senator Bradford, was intended to eliminate the statute that recognizes CCA governing boards as the public entity responsible for overseeing CCA sources of electricity. SCP worked with our representatives and was able to convince them SB 618 would undo an important agreement made with the CCA community less than two years ago.

Assembly Member Levine introduced AB 79 that would require the California Air Resources Board to develop a methodology for updating the assumed greenhouse gas emissions from unspecified sources. Assemblyman Levine amended AB 79 to address SCP's and CalCCA's (California's Community Choice Trade Association) concerns, relating mainly to implementing an hourly compliance process that would have been administratively burdensome. Governor Brown later stated that AB 79 is unnecessary and interferes with the implementation of an existing law passed last year (AB 1110 – Ting).

In the final weeks of the 2017 legislative session, Governor Brown tried to expand the California Independent Operating System to include other western states, known as “regionalization.” At the request of the Governor, Assemblyman Holden ran bills to do that, but language was included to block CCAs from running demand response programs and buying their own renewable energy. SCP and CalCCA opposed both pieces of legislation (AB 726 and AB 813), and the session ended with both bills being placed on hold.

SCP will continue to work with CalCCA and the other CCAs in the coming year to pass a clean version of Senator de Leon's SB 100 renewable bill, and to defend public power. It was the strength of the CCA community that created a strong voice in Sacramento for our industry.

California CCAs



Three years ago, just two community choice programs were running in California. By the end of 2017, fourteen programs were operational, and more cities and counties were actively gearing up to start their own.

The rapid growth is on pace for CCAs to serve a majority of Californians in just a few years. The track record of delivering savings on customers' electric bills while providing clean power to the grid proves that municipalities can act locally while thinking globally.

Community Choice



Bruce Okrepkie
Chair
Town of Windsor

Alternate
Debra Fudge



Dan Hamburg
Vice Chair
County of Mendocino

Alternate
Dan Gjerde



Melanie Bagby
City of Cloverdale

Alternate
Paul Caylor



Gina Belforte
City of Rohnert Park

Alternate
Don Schwartz



James Gore
County of Sonoma

Alternate
Lynda Hopkins



Amy Harrington
City of Sonoma

Alternate
Rachel Hundley



Gabe Kearny
City of Petaluma

Alternate
Dave King



Mark Landman
City of Cotati

Alternate
John Dell'Osso



Lindy Peters
City of Fort Bragg

Alternate
Jonathan Torrez



Patrick Slayter
City of Sebastopol

Alternate
Una Glass



Chris Rogers
City of Santa Rosa

Alternate
Jack Tibbetts

2017 Board of Directors

Community Advisory Committee

Dick Dowd, Chair
Art Deicke, Vice Chair

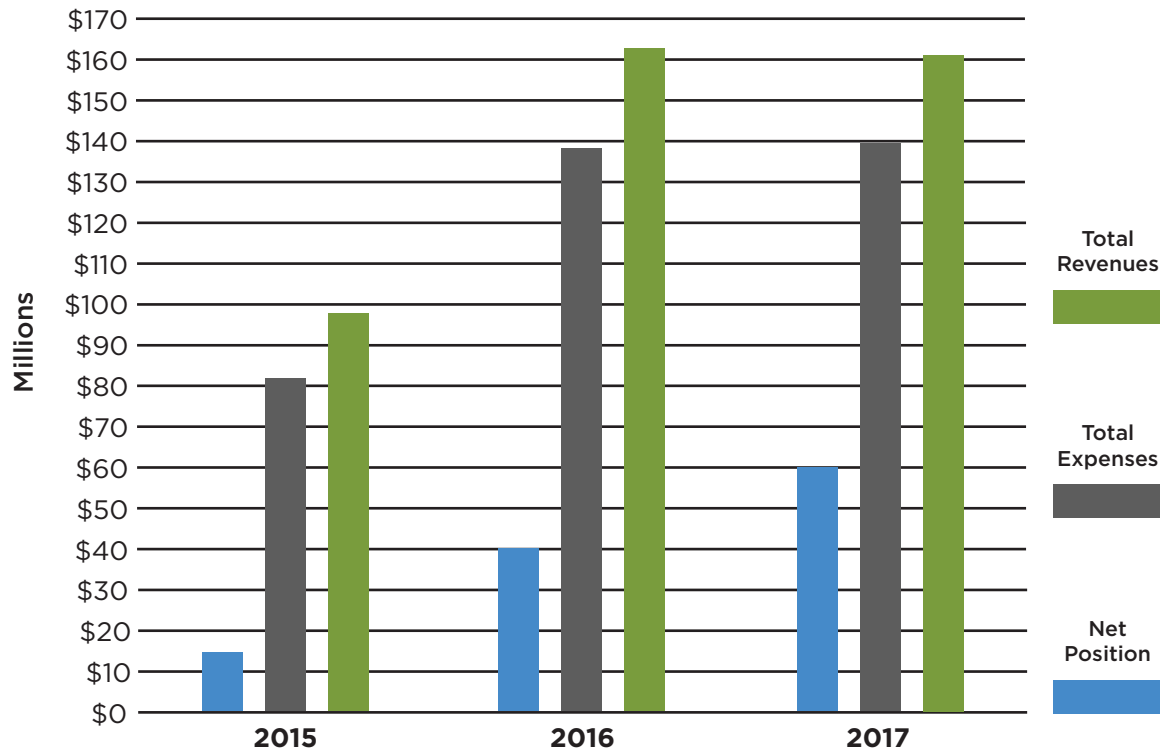
George Beeler
Paul Brophy

Joe Como
Anita Fenichel

Bill Mattinson
Mike Nicholls

Ken Wells
Bob Williamson

Financials



In June 2017, Sonoma Clean Power expanded our service territory to serve the unincorporated area of Mendocino County and the cities of Fort Bragg, Point Arena and Willits. SCP now provides electricity to approximately 225,000 accounts.

SCP has a strong focus on building credit capacity by increasing cash reserves and by entering into favorable energy purchase commitments. The possibility that energy costs may increase in the next few years due to a rising market makes credit a key focus.

SCP is also working with CalCCA (the trade association for California's CCAs) to develop future capabilities for joint ownership of large assets with other community choice programs throughout California.

ASSETS (\$millions)	2016	2017	LIABILITIES & NET POSITION	2016	2017
Cash & equivalents	\$27.6	\$40.0	Accrued cost of electricity	\$19.8	\$11.8
Accounts receivable	15.6	15.6	Security deposits	0.0	2.5
Accrued revenue	9.3	8.7	Other liabilities	1.3	1.6
Other assets	9.0	11.4	Net position	40.5	59.9
TOTAL ASSETS	\$61.6	\$75.8	TOTAL LIABILITIES & NET POSITION	\$61.6	\$75.8

NetGreen

Enabling onsite renewable generation

NetGreen is Sonoma Clean Power's Net Energy Metering program that allows customers to make their meter "spin backward" and offset their electrical usage by installing a generating system, such as a rooftop solar system or a wind turbine. SCP's program has unique benefits to incentivize more local renewable power.

SCP's NetGreen program is producing some of the best net energy metering results in California.

10,000

Over 10,000 solar customers
generating local, clean electricity

100,000

Over 100,000 kW of
installed generation capacity

\$1,400,000

Paid out to NetGreen customers
since 2015 for over-generation





Healdsburg Jr. High SWITCH Vehicle Class



Town of Windsor Spotlight Sponsor

As a leader in climate change...

SCP received the *North Bay Business Journal's* 2017 Partners in Philanthropy Award for providing students with the experience of building an electric vehicle. The SWITCH EV Lab Kit provides curriculum and components for building a street-legal electric vehicle.



North Bay Philanthropy Award



SSU Distinguished Alumni Award

The Town of Windsor acknowledged SCP's continued support for its Summer Nights on the Green music series.

SCP Chief Executive Officer Geof Syphers was recognized as a Sonoma State University Distinguished Alumni.



NoSoCo Air Pollution Control District

Sonoma Clean Power accepted a resolution of appreciation from the Board of Directors of the Northern Sonoma County Air Pollution Control District for our leadership role in the adoption of electric vehicles and EV infrastructure.

Awards & Recognition



Petaluma Butter & Egg Days



Elsie Allen High School Foundation Fiesta



Redwood Empire Food Bank



City of Santa Rosa Earth Day



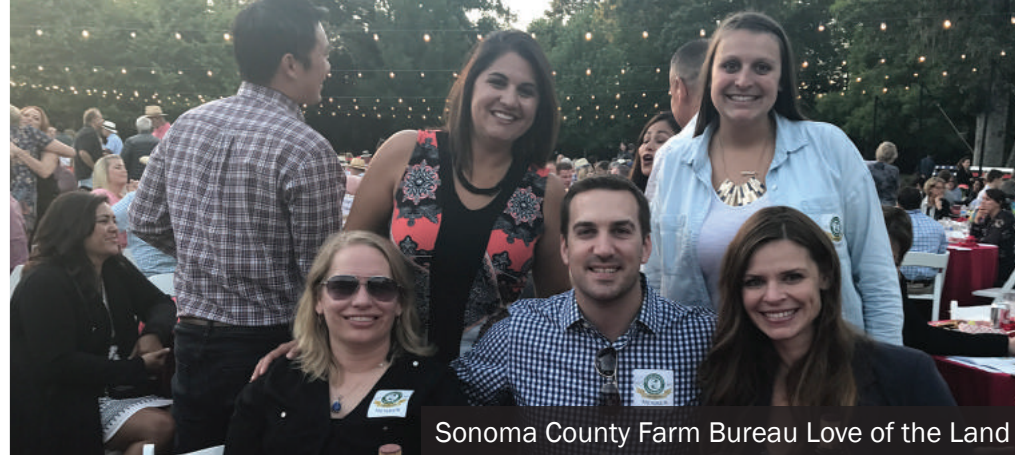
Sup. James Gore's Community Forum



Binational Health Fair



Cotati Kids Day



Sonoma County Farm Bureau Love of the Land



Sonoma County Fair



Rohnert Park Founders Day



Petaluma Education Foundation BASH



Sebastopol Gravenstein Apple Fair

Connected



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