

ANNUAL REPORT Innovative. Practical. Inclusive.

207

Message from the CEO

2020 has been a challenging year for us all. Our customers and our member cities and counties faced multiple crises at once, the economic and health crises of the pandemic, a public safety crisis of more wildfires, and a crisis of power reliability with public safety power shutoffs and rotating outages last summer. Through all of this, we've been very fortunate at Sonoma Clean Power (SCP) to have such an incredible staff who have adapted and found new ways to help our communities.

We've started to identify ways our local electric grid should be repaired to help reduce the number of people affected by public safety power shutoffs. We've also helped businesses, schools, and cities explore microgrids and battery backup power systems, and we started constructing our own small microgrid at SCP's new headquarters in downtown Santa Rosa.

Despite the challenges of 2020, we had new customers enroll in EverGreen and produced a record amount of energy from local solar and geothermal power. To handle the demand for more local clean power resources, SCP created a new department of Planning and Analytics focused on our resource planning. They've recently kicked off an exciting public planning effort to map out new local clean power resources for Sonoma and Mendocino Counties.

On the state-level, California's transition to time-ofuse (TOU) rates is quickly approaching. Not only does TOU have the potential to offer significant savings for most residential customers, but it also serves as an important mechanism for reducing the need for natural gas power sources in California's grid. TOU rates will be highest from 4 pm to 9 pm every day, making residential energy efficiency even more important. This winter is a great time to get rid of the last halogen and incandescent lights in your home and replace them with LEDs.

SCP is grateful to serve our customers during these difficult times. Though much has changed, one thing has not: together, we are helping to solve the climate crisis at the local level.

Geof Syphers, CEO



Message from the Board Chair

Despite all the challenges this year has brought us, we at Sonoma Clean Power remain hopeful. We are empowered by actions we see our member cities and counties continuing to take against climate change, and we are inspired by the individuals and organizations who have united locally to help our communities recover from hardship.

More than ever, we understand the responsibility of our agency to not only lead the transition to a cleaner energy future, but to ensure that it is a just transition. One that not only cuts greenhouse gas emissions and helps us stay safe in a very different climate, but also one that helps build a more equitable world. If 2020 has taught us anything, it is that we have an urgent need to meaningfully contribute to racial equity. That work will start by developing a new approach to our customer programs, and continue from there to all aspects of our agency and our work. It also means fighting for electric ratepayers, which we're doing every day by scrutinizing the rates and fees that go into electric bills.

With more frequent public safety power shutoffs from PG&E, SCP developed not one, but three programs to help customers get battery backup power systems. The Energy Resiliency Audit Program (ERAP), Self-Generation Incentive Program (SGIP) Assistance, and the School Solar Storage Study were all designed to support customers as they work to improve the resilience of our homes, businesses, and community spaces.

During this summer's unprecedented heat waves, the California Independent System Operator (CAISO) called the first rotating power outages since the Energy Crisis of the early 2000s. SCP customers helped California avoid several more potential blackouts by conserving energy and reducing their usage during Flex Alert periods, and our GridSavvy customers, in particular, made a big difference.

Our EverGreen customers buy 100% locally-made renewable solar and geothermal energy every hour of the day and night. Thanks to them, we are in the process of building two more solar projects near Petaluma, bringing the total amount of new local solar to 6 megawatts (MW) – enough to power 4,000 homes when paired with local geothermal energy. That means we just started a series of a dozen public meetings to get input on our next Local Resource Plan and the clean power sources we will build in the future.

While much work remains, there are many things SCP customers can be proud of. We are still making progress toward a healthier, more sustainable future for Sonoma and Mendocino counties. Together, with our customers and communities, we are, and will continue, tackling the climate crisis at the local level.

Patrick Slayter, Chair



Customer Programs

Through our customer programs, SCP is reducing emissions and making the all-electric lifestyle available for all residents of Sonoma and Mendocino counties. Below are some highlights from our programs this year.

Advanced Energy Rebuild

SCP put our dollars where it really mattered-helping to rebuild our community after the devastating 2017 wildfires. In total, the Advanced Energy Rebuild program provided funding to help rebuild 451 homes. These efficient homes included over 400 EV charging stations, 538 kilowatts (kW) of solar power, and 685 kilowatt-hours (kWh) of backup battery storage. This program is now being replicated across the state, and SCP has created the new Advanced Energy Build program to offer funding to all new, energy efficient developments in our community.





GridSavvy

Together, little actions can have a big impact. Through the GridSavvy Community, SCP customers can create a "virtual power plant" of smart thermostats, electric vehicle chargers, and heat pump water heaters. When the grid operators called for Californians to reduce their energy usage, GridSavvy Community members responded. SCP's GridSavvy Community helped keep the lights on in California by cutting electric usage just when the state needed it most.

Sonoma Coast Incentive Project

SCP teamed up with California Electric Vehicle Infrastructure Project (CALeVIP) to bring the Sonoma Coast Incentive Project, which provides incentives for the installation of publicly available electric vehicle charging infrastructure. The Sonoma Coast Incentive Project launched on July 8, 2020, and funds were provisionally reserved within an hour after accepting applications! As of November 2020, 424 applications have been received equaling over \$28.1M in rebate requests. Twenty-nine (29) applications, representing 183 ports, have had funds reserved.





Water & Energy Education Program

SCP began hosting education and training events in 2020. Leading with SCP's Mission of turning the tide on the climate crisis through bold ideas and practical programs, the multi-faceted education plan encompasses over 25 customer and building professional educational offerings regarding energy-efficient and carbon-saving strategies and technologies and related incentives. In 2020, we held 21 education events, with 325 attendees.

EverGreen Leadership

EverGreen provides SCP customers with the option to power their homes and businesses with 100% renewable, locally produced energy, day and night. The number of customers who are upgrading to EverGreen is growing, and so is the number of renewable energy projects being built in our service territory!

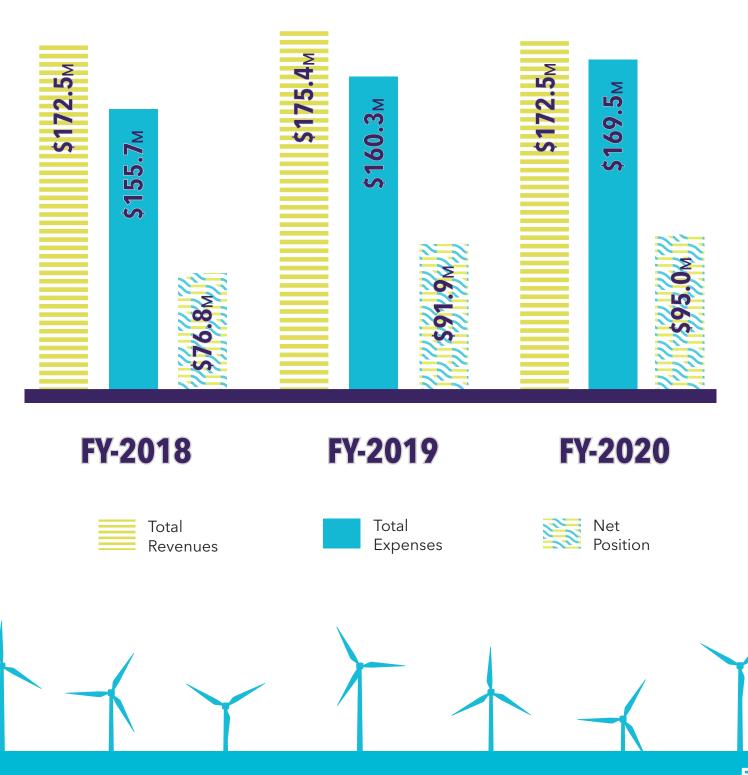
We'd like to recognize three of our new EverGreen customers: the City of Santa Rosa, Mendocino Woodlands, and Veale Outdoor Advertising for their part in combating climate change and choosing to significantly cut their greenhouse gas emissions. Thank you to all our EverGreen customers for leading the way toward a cleaner, healthier energy future for everyone.





Financials

Sonoma Clean Power added to our net position in fiscal year 2019-20 by approximately \$3M. Additionally, SCP set aside \$22M to a rate stablization fund to help protect our customers from big changes in PG&E's fees over the coming years. The reported revenue in 2019-20 of \$172.5M has been reduced by this \$22M.



Leadership

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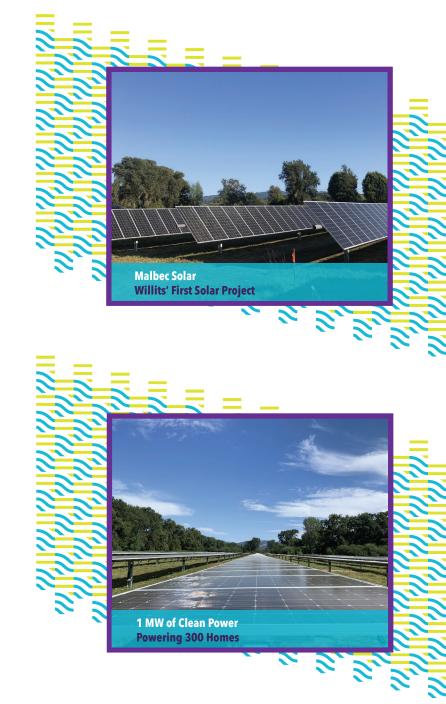


More Power to You

Despite the pandemic, SCP made good progress adding new clean power resources in 2020. Locally, we celebrated the completion of a 1 MW solar array in Willits that is serving our EverGreen customers. That project uses photovoltaic panels that rotate to track the sun throughout the day. SCP also dove head first into large-scale energy storage projects.

The first two big energy storage projects SCP contracted were for a total 75 MW of output at SCP's Mustang solar array in Lemoore, California. The project will use lithium-ion batteries and store excess energy from the grid during the day and provide it back to the grid over a four-hour period when it's needed - often in the evening. It's expected to be operating by the summer in 2021.

SCP is also going through a process to buy longduration energy storage - energy that can be stored and delivered back to the grid for eight or more hours. It's exciting to see the impressive response to our recent request for offers, with 51 developers submitting. Because these projects tend to be quite large, SCP is also going through a process to form a joint procurement organization made up of other public agencies, so SCP could have the option to just buy portions of a large project. There is a broad range of technologies to consider, from batteries to compressed air, pumped water systems and gravitybased systems, thermal storage and more. This long-duration storage resource will further reduce SCP's reliance on natural gas power plants to keep the lights on, especially when it is dark (no solar) and still (no wind).













Giving Back by Giving the Gift of Food

As the needs of our community and society have changed dramatically due to the COVID-19 pandemic, seasonal wildfires and the need for social justice and racial equity and justice, SCP has focused our community giving efforts by supporting food banks and food resources, including:



We are deeply grateful to our volunteers, donors, and community for joining us in providing critical food resources to those in need in 2020.





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