



**AGENDA**  
**COMMUNITY ADVISORY COMMITTEE MEETING**  
**January 24, 2019**  
**1:00 PM**

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

**I. CALL TO ORDER**

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

(Comments are restricted to matters within the Committee jurisdiction. The Committee will hear public comments at this time for up to thirty minutes. Please be brief and limit comments to three minutes.)

**III. COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR**

1. Approve November 29, 2018, CAC Meeting Minutes (pg. 2)

**IV. COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR**

2. Receive Operations Report and Provide Input as Appropriate (pg. 8)
3. Receive Update on SCP Mission Statement Project (pg. 25)
4. Receive Legislative and Regulatory Updates and Provide Input as Appropriate (pg. 26)
5. Receive, Comment and Recommend Board Approval of SCP Programs Strategic Action Plan (pg. 28)
6. Receive Update and Discussion on 431 E Street (pg. 55)

**V. COMMITTEE MEMBER ANNOUNCEMENTS**

**VI. ADJOURN**

*DISABLED ACCOMMODATION: If you have a disability which requires an accommodation, an alternative format, or requires another person to assist you while attending this meeting, please contact the Clerk of the Board at (707) 890-8491, as soon as possible to ensure arrangements for accommodation.*



**MEETING MINUTES  
COMMUNITY ADVISORY COMMITTEE MEETING  
THURSDAY, NOVEMBER 29, 2018  
1:00 PM**

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

**I. CALL TO ORDER**

Chair Dowd called the meeting to order at 1:00pm

Committee Members Present: Baldwin, Brophy, Chaban, Dowd, Fenichel, Nicholls, Sizemore, Quinlan, and Wells

Staff Present: Geof Syphers, Chief Executive Officer; Stephanie Reynolds, Director of Internal Operations; and Jessica Mullan, General Counsel.

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

None

**III. COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR**

1. Approve October 25, 2018, CAC Meeting Minutes

Motion to approve the October 25, 2018, CAC Meeting Minutes by CM Nicholls

Second: CM Baldwin

Motion passed: 7-0-1 with CM Brophy abstaining

*CM Sizemore arrived at approximately 1:06 PM*

Public comment: None

**IV. COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR**

2. Receive the Financial Auditor's Report for FY 2017 and FY 2018

Brett Bradford of Piseni & Brinker LLP presented a report with the results of the audit for the fiscal years ending on June 30, 2017, and June 30, 2018. Based on the audit, Mr. Bradford provided his opinion that the statements are materially & accurately stated, complete, and free from errors.

CM Quinlan asked about significant deficiencies and Mr. Bradford stated there were none. CM Chaban asked about a separate profit/loss statement for

Mendocino County and CEO Syphers stated that funds aren't distinguished between SCP's service territories. CM Chaban stated he would like to see percentages included in the profit/loss categories.

Public comment: None

Motion to receive the Financial Auditor's Report for FY 2017 and 2018 by CM Brophy.

Second: CM Nicholls

Motion Passed: 9-0-0

### 3. Receive Operations Report and Provide Input as Appropriate

Director of Internal Operations Stephanie Reynolds detailed a pending agreement for legal services with the County of Sonoma, which is an ongoing contract for as-needed legal services. CEO Syphers then described how over the past several months, SCP customer load has been about 6% below forecast. An initial review has ruled out weather-related impacts, changes in numbers of customer, changes in behind the meter solar, and changes in large customer usage patterns. Staff is investigating possible causes for the deviation in load and will continue to report on this matter.

Director Reynolds stated that SCP's 2017 Validated Emission Factors were posted to The Climate Registry website. She then described how SCP staff, at the urging of Director Hopkins from the County of Sonoma, continues to meet with member jurisdictions to discuss the value of registering their municipal accounts for EverGreen service. Director Reynolds provided a Drive EV program update, which in its current iteration provided purchase incentives for 489 vehicles. This brings the three-year total for the program to 1,262 electric vehicles on the road with the help of SCP. Director Reynolds noted that these numbers do not include the "spillover effect" of electric vehicles that were purchased from dealers that weren't participants in the DriveEV program, but nonetheless matched SCP's incentives when approached by customers. CEO Syphers confirmed that SCP is ending the program to focus on electric vehicle charging infrastructure in SCP's service territory.

Public comment:

Jerry Glaser, Sebastopol resident, spoke about Evergreen program and benefits and marketing of EverGreen as an alternative to solar.

Tom Conlon, Sonoma resident, spoke about Sonoma as a municipal EverGreen participant, and efforts to have other cities/jurisdictions adopt.

#### 4. Receive Legislative and Regulatory Updates and Provide Input as Appropriate

CEO Syphers recognized CM Nicholls' guest, Calvin Sandeen, Broadband Project Coordinator with the Sonoma County Economic Development Board. Mr. Sandeen detailed the California Public Utilities Commission Rule 20 underground utility program. He stated that the CPUC issued a public comment period for improvements to the program and his belief that no one from the region is engaging with the proceedings. He recommended supporting and coordinating efforts to realize benefits of underground utilities.

CEO Syphers provided a legislative update on the following items: CalCCA is taking input from its members to adopt a legislative agenda and will likely bring a bill forward in the coming session; Assemblymember Holden plans to run a bill to protect utilities from bankruptcy; Senator Hill proposed a bill to municipalize PG&E but has now shifted into breaking up the company into business units; and Sempra Energy, the parent company of San Diego Gas & Electric, has publicly shown a bill that would allow them to exit from all sales of electricity and focus only on reliability and distribution. He then detailed how the CPUC has been advancing efforts to centralize procurement and vest this power with the CPUC. Finally, CEO Syphers highlighted how the City and County of San Francisco and CalCCA (among others) have filed applications with the CPUC for a rehearing of the Power Charge Indifference Adjustment decision.

Public comment: none

#### 5. Review, Comment, and Recommend Board Approval of Contract with TLCD Architecture for Design Services of SCP Storefront/Lead Locally Grant

Programs Manager Chad Asay detailed how SCP selected TLCD following a competitive solicitation process. The agreement is for \$507k and includes design services and runs through October 2019.

CM Chaban asked about the budget for the store and Program Manager Asay stated that the design budget, as outlined in grant proposal, is \$490k. CM Quinlan asked if these costs are covered by the grant and Program Manager Asay stated that these costs are borne by SCP as a match under the grant terms.

Public comment: none

CM Baldwin asked for any General Counsel comments; General Counsel Mullan stated she is comfortable with the agreement and any associated risks as the vendor accepted SCP's indemnification, insurance requirements, timely performance, and other terms contract terms.

Motion to Recommend Board Approval of Contract with TLCD Architecture for Design Services of SCP Storefront/Lead Locally Grant by CM Sizemore

Second: CM Baldwin

Motion Passed: 8-0-1

6. Review, Comment, and Recommend Board Approval of Contract with Sixth Dimension for Construction Management Services at 431 E St.

CEO Syphers detailed the item, which is a contract for construction management services, now that design services are underway. Sixth Dimension will assist from demolition through the closeout of construction (permitting, general contractor on timely schedule, approval of change orders, etc.).

He then stated that SCP issued a competitive solicitation, and due to the California wildfires, responses came from outside SCP's service territory. The agreement has a not-to-exceed amount of \$540,483 with an end date of 9/30/2020.

Public comment: none

Motion to Recommend Board Approval of Contract with Sixth Dimension Construction Management Services at 431 E St. by CM Nicholls.

Second: CM Wells

Motion Passed: 9-0-0

7. Review, Comment, and Recommend Board Approval of Contact Between SCP and Olivine, Inc. for Implementation of the GridSavvy Community

Senior Program Manager Kuykendall detailed the history of the Olivine partnership, including progress to date, and scope of the current agreement.

Public comment:

Andy Ferguson, with Friends of the Climate Action Plan, spoke in support of PACE program at SCP Energy Marketplace.

Chair Dowd stated that he had sent a note to CEO Syphers detailing his concern of starting a new program considering the recent PCIA decision; CEO Syphers recommended moving forward as this is an existing program and within the existing approved program budget.

Motion to Recommend Board Approval of Contact Between SCP and Olivine, Inc. for Implementation of the GridSavvy Community by CM Sizemore.

Second: CM Baldwin

Motion Passed: 9-0-0

8. Review, Comment, and Recommend Board Action Concerning Draft Budget Adjustment and/or Conditional Rate Adjustment

CEO Syphers detailed a set of actions that staff could take, if needed, to protect customers from higher rates following PG&E's annual generation rate change along with any PCIA fee increases. These actions would only go into effect based on specific criteria, and the list of adjustments, to be implemented in order, are:

1. Set all rates to provide 0.25% savings on total electric charges.
2. Cut reserve contributions to 3% of revenues, the minimum required in Financial Policy B2.
3. Set all rates to provide 0% savings on total electric charges.
4. Cut the remaining unspent balances for specific budget items.
5. Cut reserve contributions to 0%, where the Board delegates authority to the CEO to take the exemption from Financial Policy B2.
6. Increase customer rates up to 4% over PG&E on total electric charges.

Chair Dowd and CM Nicholls stated their support for this item.

CM Baldwin asked about the procedure for how the BOD would allow an exemption from their approved financial policy and General Counsel Mullan detailed the process.

CM Fenichel asked about the PCIA process/fee in other markets, and CEO Syphers stated that it is common to see fixed fees over a fixed amount of time.

CM Brophy stated his support for the item with the following modifications: 1) emphasize at each step that SCP is including the planned contributions to reserves, if any; and 2) at each step SCP will progress up to the limit that is stated, e.g., rather than state "cut reserve contributions to 0%," the item should read as "cut reserve contributions *down* to 0%."

Public comment:

Mark Landman, Vice Chair of the Sonoma Clean Power Authority's Board of Directors, spoke in favor of staff's recommendations.

Motion to Recommend Board Action Concerning Draft Budget Adjustment and/or Conditional Rate Adjustment as Amended by CM Baldwin.

Second: CM Brophy

Motion Passed: 9-0-0

**V. COMMITTEE MEMBER ANNOUNCEMENTS**

None

**VI. ADJOURN**

Chair Dowd adjourned the meeting at 3:47 PM.



## Staff Report – Item 02

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To: Sonoma Clean Power Authority Community Advisory Committee

From: Stephanie Reynolds, Director of Internal Operations  
Geof Syphers, CEO

Issue: Receive Operations Report and provide direction as appropriate

Date: January 24, 2019

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### **SCP TEAM MEMBER RECRUITMENTS**

SCP is still in the process of interviewing for the Risk and Regulatory Compliance Officer and hopes to have that position filled soon. We have also opened a recruitment for a Chief Operating Officer and would like to have that position filled by the end of Spring.

### **LOAD DEVIATIONS**

Staff continues to research the load deviations that were noted and reported on at the last meeting. For the past several months, SCP customer load has been about 7% below forecast. This is more than normal deviation and is occurring in other parts of PG&E territory, but apparently not in municipal utility territories in Northern California. Staff are investigating our billing process, data management, and possible metering errors. We are looking into the quality of data we are receiving from PG&E and the handling of load data in our systems. An initial review has ruled out weather related impacts, changes in numbers of customers, changes in customer-owned solar, and changes in large customer usage patterns. The deviation is largest in residential customers, which normally have good statistical diversity due to



the large number of those customers. Staff will continue to report on this matter.

## **PROFIT**

The Cloverdale 1 MW feed-in-tariff solar project began construction activities on 12/17/18. This project was one of the first ProFIT programs and while dealing with a number of delays, is now under construction. This project is on 3.5 acres of land in Unincorporated Sonoma County near Cloverdale and is estimated to start producing energy by March 31, 2019.

## **BILLING IMPROVEMENTS**

Staff recently initiated a few upgrades to the SCP page of the bill. Attached you will find a sample page from our old bills, an updated bill, and a Spanish language bill. Previously SCP charges on the bill were presented IN ALL UPPER CASE, which was not only unappealing and hard to read, but didn't match the rest of bill. With help from Calpine and PG&E our charges now match the case structure PG&E uses for the other pages in the bill. In addition, staff worked to translate our page of the bill and worked with PG&E and Calpine so that our Spanish language customers can request their entire bill to be in Spanish. Congratulations to our Customer Service and Operations teams for making our bills easier to read and more accessible to Spanish readers!

## **PROGRAMS**

We continue to make progress on the detailed design of improvements to 431 E Street. We have completed a geotechnical investigation of soil conditions and an inspection of the sanitation lines to inform the final design. An item later in the agenda of this meeting will give an update on the schedule and budget.

### ***Electrification of Transit Vehicles***

We have cooperated with the four local transit agencies on a scope of work to determine infrastructure and planning needs to take their bus fleets to

electric propulsion. An RFQ for consulting services will be released in January to select a firm to do the necessary investigations. Based on our experience with the transit agencies, we have begun researching and have engaged with a school bus company in our territory on a similar effort.

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

In Sonoma County we have 30 DIY toolkits in circulation and have seen 441 kits checked out since the program started. We expanded to Mendocino County last May with 11 DIY toolkits and have seen 39 check-outs, thus far. This brings our total number of check-outs to 480! This has been a very successful way to outreach to our communities, provide basic energy-saving tips and tools at a low-cost to SCP.

### ***Induction Cooktops***

After one full year of this program we have had a total of 93 cooktops checked out. In the beginning of December, we sent out a satisfaction survey and received some interesting results. We found that 74% of people who tried the cooktop said they would make the switch to induction cooking and 44% have already made the switch. We originally assumed the results were such a high number because of the wildfire reconstruction but found that only 32% of the participants were in the rebuild process. These are amazing results that show there is a high demand in the program. This is also a program that other CCA's could easily duplicate. On January 11<sup>th</sup>, SCP was able to host a tour of the award winning, fully carbon-free kitchen at Sonoma Academy. Over 50 attendees were able to learn firsthand about the staff's experience with induction cooking, the benefits of converting to an all-electric kitchen and adjustments made in order to adapt. They even have an induction wok! SCP plans on doing similar tours in the future when the opportunities arise.

### ***Non-Profit EV***

This program provides incentives to local non-profit organizations to purchase or lease an Electric Vehicle. In one year, we have had 4 companies purchase or lease an EV with SCP's help: PDI Surgery Center, PEP Housing, GreenAcre Homes and School, & Mendocino Land Trust. We also have 3 more companies who are in process and have signed the contract: LandPaths, Sonoma County Medical Association and Grid Alternatives. There are funds left in the current FY budget, so we encourage our Board and Committee members to get the word out on this wonderful program for our non-profits.

### ***Drive EV***

The program ended on November 16th. SCP provided \$1.026 million in incentives towards the lease or purchase of 485 vehicles. This brings our total number of vehicles to 1,258 vehicles over the last three years. A dashboard with complete data on the number of vehicles, dollars saved, and dollars incentivized can be accessed at: <https://sonomacleanpower.org/drive-ev-program-results>. Customers that participated in the program have been sent an evaluation survey, and to date, 33% have submitted complete responses! This is an excellent response rate. A full evaluation report is scheduled for delivery by April 1, 2019.

### ***Advanced Energy Rebuild***

As of last week, 150 homes have applied for Advanced Energy Rebuild, about one third of which have chosen to rebuild all-electric homes. In December, the first home participating in the program completed construction. This home, which was featured in the Press Democrat, was all-electric and featured solar PV and battery storage. Earlier this month, SCP sent an Advanced Energy Rebuild mailer to approximately 2,000 customer forwarding addresses that were affected by the fires. Response to the mailer has been high and we expect many more applications soon.

### ***Low Carbon Reach Codes***

Beginning this year, a statewide group of cities and counties will be leading an effort to support jurisdictions interested in implementing an “all-electric” reach code to coincide with the new California Title 24 energy code in 2020. An “all-electric” reach code would mandate that all new construction within that jurisdiction use high efficiency electric equipment, significantly reducing the greenhouse gas emissions of the homes. SCP’s Program Manager, Rachel Kuykendall, is helping to lead this effort and offer technical assistance. If this sounds of interest to your jurisdiction, Rachel will follow up after the board meeting to connect with your jurisdiction’s appropriate staff.

### ***Lead Locally (CEC Grant)***

The Lead Locally Research Team is currently performing energy audits on 18 applicant homes to participate in the applied research experiments for advance technologies including: heat pump water heaters, radiant ceiling heating and cooling panels, residential attic phase change materials, and air to

water heat pumps. Pre-monitoring instrumentation will be installed in 16 of those homes immediately following those audits. A Phase 2 research study on daylighting retrofits for 3 commercial properties will occur this spring. Additionally, TLCD Architecture is developing a schematic design for the renovations of the storefront at 741 4<sup>th</sup> St. An update to the renovations and design plan will be made to the CAC next month and to the Board at its March 7<sup>th</sup> meeting.

## **MONTHLY COMPILED FINANCIAL STATEMENTS**

The summer rate season continues into November, a period where aggregate rates are greater than in the winter season. The year-to-date growth in net position is slightly below projections due primarily to lower than anticipated electricity sales. Year-to-date electricity sales reached \$79,141,000.

Electricity sales (as reported on the Statement of Revenues, Expenses and Changes in Net Assets) is being offset by our estimate of uncollectible accounts, which is currently set at approximately 0.5% of electricity sales. As historical data is gathered on the collection patterns specific to SCP customers, this rate will be revisited and adjusted as necessary. Note that the accounts receivable line on the Statement of Net Position is presented net of allowance for uncollectibles.

SCP continues to procure electricity from multiple sources. Net position reached a positive \$87,261,000, which indicates healthy growth as SCP continues to make progress towards its reserve goals. Of this net position, approximately \$50,652,000, \$9,130,000, and \$1,081,000 is considered set aside for operating and project reserves, respectively.

Overall, other operating expenses continued near or slightly below planned levels for the year.

## **BUDGETARY COMPARISON SCHEDULE**

The accompanying budgetary comparison includes the 2018/19 budget approved by the Board of Directors in May 2018.

The budget is formatted to make comparisons for both the annual and the year-to-date perspective. The first column, 2018/19 YTD Budget, allocates the

Board approved annual budget at expected levels throughout the year with consideration for the timing of additional customers, usage volumes, staffing needs etc. This column represents our best estimates and this granular approach was not part of the Board approved budget.

Revenue from electricity sales to customers is under the year-to-date budget by approximately 5%.

The cost of electricity is also slightly under budget-to-date by approximately 6%. Variation in this account is typically due to fluctuating market cost of energy on open position purchases.

Major operating categories of Data Management fees and PG&E Service fees are based on the customer account totals. While Data Management fees are closely aligned to the annual budgeted amount, PG&E fees exceed the year-to-date budget due to a change in the per meter rate, with an unexpected MDMA fee added. SCP intends to adjust the budget for this category in future months.

In addition to the items mentioned above, SCP continues its trend of remaining near or under budget for most of its operating expenses.



# ENERGY STATEMENT

www.pge.com/MyEnergy

Account No: [REDACTED]  
Statement Date: 07/09/2018  
Due Date: 07/30/2018

## Details of Sonoma Clean Power Electric Generation Charges

06/01/2018 - 07/01/2018 (31 billing days)

Service For: [REDACTED]  
Service Agreement ID: [REDACTED] ESP Customer Number: [REDACTED]

06/01/2018 – 07/01/2018

### Rate Schedule: NEM E-EV

GENERATION - OFF PEAK - SUMMER	4.648000 kWh @ \$0.02312	\$0.11
GENERATION - OFF PEAK - SUMMER	139.439000 kWh @ \$0.02468	3.44
GENERATION - PART PEAK - SUMMER	-255.409400 kWh @ \$0.07875	-20.11
GENERATION - PART PEAK - SUMMER	-8.513600 kWh @ \$0.07962	-0.68
GENERATION - ON PEAK - SUMMER	-232.914200 kWh @ \$0.19635	-45.73
GENERATION - ON PEAK - SUMMER	-7.763800 kWh @ \$0.20318	-1.58
NET GENERATION BONUS	-504.601000 kWh @ \$0.01000	-5.05
	Net Charges	-69.60
Local Utility Users Tax		0.00
Energy Commission Surcharge		0.00
CREDITED TO NETGREEN BALANCE		69.60
YOUR CUMULATIVE SCP NETGREEN CREDIT BALANCE IS NOW \$125.11.		

**Total Sonoma Clean Power Electric Generation Charges \$0.00**

### Service Information

Total Usage -360.514000 kWh

For questions regarding charges on this page, please contact:

SONOMA CLEAN POWER  
PO BOX 1030  
SANTA ROSA CA 95402  
1-855-202-2139  
www.sonomacleanpower.org

### Additional Messages

Sonoma Clean Power (SCP) is the public electric generation provider for Sonoma and Mendocino Counties. We supply electricity that is 42% renewable\* and 90% carbon-free through our default service, CleanStart.

We partner with PG&E who continues to provide billing and electric delivery services to our shared customers. SCP offers customers a superior Net Energy Metering (NEM) program called NetGreen and an optional 100% local renewable\* premium service called EverGreen. We invite you to contact us to learn more.

\*Based on the official 2016 California Energy Commission Annual Power Content Label Calculation



# ENERGY STATEMENT

www.pge.com/MyEnergy

Account No: [REDACTED]  
Statement Date: 10/08/2018  
Due Date: 10/29/2018

## Details of Sonoma Clean Power Electric Generation Charges

08/31/2018 - 10/01/2018 (32 billing days)

Service For: [REDACTED]  
Service Agreement ID: [REDACTED] ESP Customer Number: [REDACTED]

08/31/2018 – 10/01/2018

<b>Rate Schedule: NEM E-EV</b>			
Generation - Off Peak - Summer	189.951000 kWh @ \$0.02312		\$4.39
Generation - Part Peak - Summer	-123.848500 kWh @ \$0.07962		-9.86
Generation - On Peak - Summer	-38.979000 kWh @ \$0.20318		-7.92
Net Generation Bonus	-162.827500 kWh @ \$0.01000		-1.63
	Net Charges	-15.02	
Local Utility Users Tax			0.00
Energy Commission Surcharge			0.01
Credited To NetGreen Balance			15.01
Your Cumulative SCP NetGreen Credit Balance is now \$232.74.			

**Total Sonoma Clean Power Electric Generation Charges \$0.00**

### Service Information

Total Usage 27.123500 kWh

For questions regarding charges on this page, please contact:

SONOMA CLEAN POWER  
PO BOX 1030  
SANTA ROSA CA 95402  
1-855-202-2139  
www.sonomacleanpower.org

### Additional Messages

At Sonoma Clean Power, sustainable solutions mean real benefits. We source cleaner electricity and deliver programs that positively impact the lives of our customers.

Our default electricity service is 45% renewable\* and 87% carbon free. We partner with PG&E, who continues to deliver your electricity, and our shared customers receive one monthly bill from PG&E.

By providing you a choice of increased renewables that reduce greenhouse gas emissions, our customers help solve the climate crisis at the local level.

\*Based on the official 2017 California Energy Commission Annual Power Content Label Calculation.



# ESTADO DE CUENTA DE ENERGÍA

www.pge.com/MyEnergy

No. de cuenta: [REDACTED]

Fecha de la factura: 11/29/2018

11/29/2018

Fecha límite de pago: 12/20/2018

12/20/2018

## Detalles de cargos de generación de energía Sonoma Clean Power

10/24/2018 - 11/21/2018 (29 días)

Servicio para: [REDACTED]

Service Agreement ID: [REDACTED] ESP Customer Number: [REDACTED]

10/24/2018 – 11/21/2018

Programa de tarifas: E-1

Generación - total	570.000000 kWh @ \$0.06948	\$39.60
	Cargos Netos 39.60	
Sobrecargo de la Comisión de Energía		0.17

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**Total de cargos de generación Sonoma Clean Power \$39.77**

### Información del servicio

Consumo total 570.000000 kWh

Si tiene alguna pregunta sobre los cargos indicados en esta página, por favor comuníquese con:

SONOMA CLEAN POWER  
PO BOX 1030  
SANTA ROSA CA 95402  
1-855-202-2139  
www.sonomacleanpower.org

### Información adicional

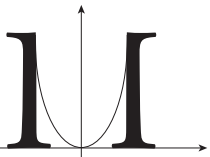
En Sonoma Clean Power, las soluciones sostenibles significan beneficios reales. Obtenemos electricidad más limpia y ofrecemos programas que impactan positivamente las vidas de nuestros clientes.

Nuestro servicio de electricidad predeterminado es 45% renovable \* y 87% libre de carbono. Nos asociamos con PG&E, que continúa entregando su electricidad, y nuestros clientes compartidos reciben una factura mensual de PG&E.

Al proporcionarle una opción de más energías renovables que reducen las emisiones de gases de efecto invernadero, nuestros clientes ayudan a resolver la crisis climática a nivel local.

\* Basado en el cálculo anual de la etiqueta de contenido de energía de la Comisión de Energía de California 2017.





## ACCOUNTANTS' COMPILATION REPORT

Management  
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of November 30, 2018, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

*Maher Accountancy*

San Rafael, CA  
January 4, 2019



# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of November 30, 2018

### ASSETS

Current assets	
Cash and cash equivalents	\$ 50,919,418
Investment in Sonoma County Investment Pool	15,243,019
Accounts receivable, net of allowance	17,692,891
Other receivables	521,531
Accrued revenue	6,838,161
Prepaid expenses	1,387,460
Deposits	748,989
Total current assets	<u>93,351,469</u>
Noncurrent assets	
Land	860,520
Capital assets, net of depreciation	2,730,602
Deposits	5,459,242
Total noncurrent assets	<u>9,050,364</u>
Total assets	<u>102,401,833</u>

### LIABILITIES

Current liabilities	
Accounts payable	767,177
Accrued cost of electricity	13,056,389
Advanced from grantors	491,750
Other accrued liabilities	377,312
User taxes and energy surcharges due to other governments	448,563
Total current liabilities	<u>15,141,191</u>

### NET POSITION

Investment in capital assets	3,591,122
Unrestricted	83,669,520
Total net position	<u>\$ 87,260,642</u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**July 1, 2018 through November 30, 2018**

**OPERATING REVENUES**

Electricity sales, net	\$ 78,964,659
Evergreen electricity premium	176,687
Grant revenue	489,072
Total operating revenues	<u>79,630,418</u>

**OPERATING EXPENSES**

Cost of electricity	63,154,885
Staff compensation	1,335,933
Data manager	1,313,463
Service fees - PG&E	394,272
Consultants and other professional fees	997,222
Legal	157,533
Communications	712,781
General and administration	364,444
Program rebates and incentives	1,042,951
Depreciation	24,995
Total operating expenses	<u>69,498,479</u>
Operating income	<u>10,131,939</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest income	<u>367,576</u>
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**CHANGE IN NET POSITION**

Net position at beginning of period	<u>76,761,127</u>
Net position at end of period	<u><u>\$ 87,260,642</u></u>

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS July 1, 2018 through November 30, 2018

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 82,048,663
Receipts from grantors	11,891
Receipts from supplier for security deposits	14,600
Tax and surcharge receipts from customers	1,044,380
Payments to purchase electricity	(64,035,788)
Payments for staff compensation	(1,388,241)
Payments for contract services	(2,827,605)
Payments for communications	(958,740)
Payments for general and administration	(416,749)
Payments for program rebates and incentives	(1,339,411)
Tax and surcharge payments to other governments	(1,073,508)
Deposits and collateral paid	(1,408,034)
Payments for charitable contributions	(108,000)
Net cash provided (used) by operating activities	<u>9,563,458</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(237,648)</u>
-------------------------------	------------------

### CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>388,809</u>
Net cash provided (used) by investing activities	<u>388,809</u>

Net change in cash and cash equivalents (including County Investment Pool)	9,714,619
Cash and cash equivalents at beginning of year	<u>56,447,818</u>
Cash and cash equivalents at end of year	<u>\$ 66,162,437</u>

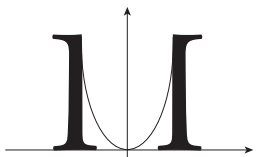
### Reconciliation to the Statement of Net Position

Cash and cash equivalents	\$ 50,919,418
Investment in Sonoma County Investment Pool	<u>15,243,019</u>
Cash and cash equivalents	<u>\$ 66,162,437</u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF CASH FLOWS (continued)**  
**July 1, 2018 through November 30, 2018**

**RECONCILIATION OF OPERATING INCOME TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 10,131,939
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	24,995
Revenue reduced for uncollectible accounts	397,696
Charitable contributions considered an operating activity for cash flow purposes only	(108,000)
(Increase) decrease in net accounts receivable	(226,439)
(Increase) decrease in other receivables	(360,018)
(Increase) decrease in accrued revenue	2,734,861
(Increase) decrease in prepaid expenses	(856,929)
(Increase) decrease in current deposits	(1,549,200)
Increase (decrease) in accounts payable	(244,083)
Increase (decrease) in accrued cost of electricity	(1,597,250)
Increase (decrease) in advance from grantors	(8,250)
Increase (decrease) in accrued liabilities	1,237,465
Increase (decrease) in user taxes and energy surcharges due to other governments	(27,929)
Increase (decrease) in supplier security deposits	14,600
Net cash provided (used) by operating activities	<u>\$ 9,563,458</u>



## ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
Sonoma Clean Power Authority

Management is responsible for the accompanying special purpose statement of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended November 30, 2018, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of Sonoma Clean Power Authority.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the special purpose budgetary comparison statement, they might influence the user's conclusions about the Authority's results of operations. Accordingly, this special purpose budgetary comparison statement is not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

*Maher Accountancy*

San Rafael, CA  
January 3, 2019



**SONOMA CLEAN POWER AUTHORITY  
OPERATING FUND  
BUDGETARY COMPARISON SCHEDULE  
July 1, 2018 through November 30, 2018**

	<u>2018/19 YTD Budget</u>	<u>2018/19 YTD Actual</u>	<u>2018/19 YTD Budget Variance (Under) Over</u>	<u>2018/19 YTD Actual/ Budget %</u>	<u>2018/19 Budget</u>	<u>2018/19 Budget Remaining</u>
<b>REVENUE AND OTHER SOURCES:</b>						
Revenue - Electricity (net of allowance) *	\$ 83,457,500	\$ 78,964,659	\$ (4,492,841)	95%	\$ 182,736,000	\$ 103,771,341
Revenue - Evergreen Premium (net of allowance)	188,165	176,687	(11,478)	94%	412,000	235,313
CEC Grant Proceeds	850,000	480,822	(369,178)	57%	2,600,000	2,119,178
BAAQMD grant	-	8,250	8,250	0%	-	(8,250)
Revenue - Interest income	255,417	367,576	112,159	144%	613,000	245,424
Total revenue and other sources	<u>84,751,082</u>	<u>79,997,994</u>	<u>(4,753,088)</u>	<u>94%</u>	<u>186,361,000</u>	<u>106,363,006</u>
<b>EXPENDITURES AND OTHER USES:</b>						
<b>CURRENT EXPENDITURES</b>						
Cost of energy and scheduling	67,216,105	63,154,885	(4,061,220)	94%	154,377,000	91,222,115
Data management	1,287,083	1,313,463	26,380	102%	3,089,000	1,775,537
Service fees- PG&E	235,000	394,272	159,272	168%	564,000	169,728
Personnel	1,525,417	1,335,933	(189,484)	88%	3,661,000	2,325,067
Outreach and communications	481,667	457,580	(24,087)	95%	1,144,000	686,420
Customer service	216,000	182,068	(33,932)	84%	440,000	257,932
Legal	129,167	157,533	28,366	122%	310,000	152,467
Accounting and auditing	85,000	48,912	(36,088)	58%	204,000	155,088
Technical consultants	79,167	86,348	7,181	109%	190,000	103,652
Legislative and regulatory advocacy	53,333	32,500	(20,833)	61%	128,000	95,500
Other consultants	108,333	31,542	(76,791)	29%	260,000	228,458
Program implementation	2,295,833	1,526,958	(768,875)	67%	5,510,000	3,983,042
Program - CEC grant	1,266,667	414,163	(852,504)	33%	3,040,000	2,625,837
Program development and evaluation	72,917	-	(72,917)	0%	350,000	350,000
General and administration	251,250	212,327	(38,923)	85%	531,000	318,673
CalCCA Trade Association	125,000	125,000	-	100%	348,000	223,000
Total current expenditures	<u>75,427,939</u>	<u>69,473,484</u>	<u>(5,954,455)</u>	<u>92%</u>	<u>174,146,000</u>	<u>104,672,516</u>
<b>OTHER USES</b>						
Collateral deposit payments	1,000,000	1,408,034	408,034	141%	1,000,000	(408,034)
Capital outlay	83,333	283,961	200,628	341%	200,000	(83,961)
Total expenditures, Other Uses and Debt Service	<u>76,511,272</u>	<u>71,165,479</u>	<u>(5,345,793)</u>	<u>93%</u>	<u>175,346,000</u>	<u>104,180,521</u>
Net increase (decrease) in available fund balance	<u>\$ 8,239,810</u>	<u>\$ 8,832,515</u>	<u>\$ 592,705</u>	<u>107%</u>	<u>\$ 11,015,000</u>	<u>\$ 2,182,485</u>

\* Represents sales of approximately 984,000 MWh for 2018/19 YTD actual.

<b>RESERVES</b>	<b>Balance</b>
Operating Cash Reserve	\$ 50,652,413
Program Cash Reserve	9,129,748
Collateral Cash Reserve	1,080,587
	<u>\$ 60,862,747</u>

**SONOMA CLEAN POWER AUTHORITY**  
**OPERATING FUND**  
**BUDGET RECONCILIATION TO STATEMENT OF**  
**REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**July 1, 2018 through November 30, 2018**

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$	8,832,515
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:		
Subtract depreciation expense		(24,995)
Add back capital asset acquisitions		283,961
Add back collateral deposits		1,408,034
Change in net position	\$	<u>10,499,515</u>





### **Staff Report - Item 03**

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To: Sonoma Clean Power Committee Advisory Committee  
From: Kate Kelly, Director of Public Relations and Marketing  
Issue: Receive Update on SCP Mission Statement Project  
Date: January 24, 2019

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No written materials for this item. A verbal update will be provided in the meeting.



## **PG&E's Energy Resource Recovery Account (ERRA)**

The Commission was scheduled to vote on a Proposed Decision implementing PG&E's Energy Resource Recovery Account "ERRA" forecast at the January 11<sup>th</sup> meeting. That Proposed Decision denied PG&E's attempt to change the allocation of PCIA across vintages, denied PG&E's attempt to use different values than the market price benchmark, but upheld not implementing a brown-power true up based on 2018 prices.

However, that Proposed Decision was held from the dais by the assigned Commissioner. It is now on the agenda for January 31<sup>st</sup>.

## **Resource Adequacy (RA)**

On November 21<sup>st</sup>, the CPUC issued a Proposed Decision in the Resource Adequacy "RA" Proceeding that would drive up costs on all ratepayers. If adopted, it would enshrine IOUs as the central procurement entity for all Local RA in their territory, which they would allocate to CCAs. In the Proposed Decision, numerous errors are made, such as proposing to buy RA and assign costs even in circumstances where CCAs already have sufficient resources. Like with the earlier PCIA decision, if adopted, this decision would create costs for products that have no value to ratepayers or grid reliability.

CalCCA and many stakeholders - most notably including San Diego Gas and Electric - opposed this proposal. SCP staff have engaged with multiple Commissioner advisors. In light of the robust response, the Commission held an all-party meeting on January 4<sup>th</sup> to solicit feedback. Following that discussion, the Commission postponed voting on the Proposed Decision. It is now on the agenda for January 31<sup>st</sup>.





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## **Acronyms**

BAAQMD - Bay Area Air Quality Management District  
BayREN - Bay Area Regional Energy Network  
CAISO - California Independent System Operator  
CCP - Center for Climate Protection  
CEC - California Energy Commission  
CSE - Center for Sustainable Energy  
CTE - Career Technical Education Foundation  
CPUC - California Public Utilities Commission  
DEV- Drive EV  
DRRS - Demand Response Reporting System  
DNV-GL - An energy efficiency consultant  
DIY - Do it Yourself  
eMW - Electric Motor Werks  
EM&V - Evaluation, Measurement and Verification  
EV - Electric Vehicle  
GHG - Greenhouse Gasses  
HVAC - Heating, Ventilation and Air Conditioning  
JPA - Joint Powers Authority  
MCAQMD - Mendocino County Air Quality Management District  
MCE - MCE Clean Energy  
NCBE - North Coast Builders Exchange  
NEM - Net Energy Metering  
NRDC - Natural Resources Defense Council  
NSCAPCD -Northern Sonoma County Air Pollution Control District  
MW - Megawatt  
PG&E - Pacific Gas and Electric  
RCPA - Regional Climate Protection Authority  
SASH - Single-Family Affordable Solar Homes Program  
SCP - Sonoma Clean Power  
SCTA - Sonoma County Transportation Authority  
SCWA - Sonoma County Water Agency  
TNC - Transportation Network Company (Uber, Lyft)  
ZNE - Zero Net Energy

## **Executive Summary**

Sonoma Clean Power is enabled by a Joint Powers Agreement (JPA) which states the following as purposes for entering into the Agreement:

- a) Reducing greenhouse gas emissions in Sonoma and Mendocino Counties and neighboring regions;
- b) Providing electric power and other forms of energy to customers at a competitive cost;
- c) Carrying out programs to reduce total energy consumption;
- d) Stimulating and sustaining the local economy, including by developing or promoting local distributed energy resources; and
- e) Promoting long-term electric rate stability, energy security, reliability, and resilience

The purpose of this document is to supply a road map for the SCP Programs Section by clearly identifying strategies and the actions needed to accomplish those strategies. This plan will facilitate the Programs Section in efficiently accomplishing its mission. In addition to an overall program road map, this document will also attempt to prioritize individual actions based on available resources, regulatory constraints and other areas of uncertainty. Each of the strategies identified in this plan will refer to one or more of the purposes identified in the JPA. The evaluation of particular programs will include metrics specific to that program and will occur after the program has had a reasonable time to establish itself. This document will be updated twice each year in January and June.



## **Significant Progress**

SCP has implemented the following activities in the Programs Section:

- 1) The Drive EV program (the third iteration) incentivized the purchase or lease of 486 electric vehicles in a 16-week timeframe. This is in addition to the 774 vehicles purchased or leased in Drive EverGreen 1.0 and 2.0, for an overall total of 1,260 vehicles.
- 2) The GridSavvy program resulted in the shipment of 2,284 (as of 1/01/19) electric vehicle charging stations to SCP customers and is the genesis of a locally controlled demand response program.
- 3) Do-It-Yourself Energy and Water Saving Toolkits, which include basic energy and water efficiency tools and products, have been placed in almost all Sonoma County and Mendocino County libraries. The 41 toolkits in circulation can be checked out just like a book and have proven to be very popular. This program was expanded into Mendocino County libraries in May 2018.
- 4) The Education Program for Schools in partnership with Sonoma Water was initiated in the Fall of 2017. A contract to continue the program for a further two years was approved by SCP's Board.
- 5) A Demand Charge Reduction Program was implemented to assist large commercial and industrial customers in reducing demand charges on their bills. Nineteen (19) large commercial and industrial customers have been contacted for participation.
- 6) Induction Cooktop Experience, a program that loans portable electric induction cooktops to customers, has seen 87 loans take place. A survey showed that customers overwhelmingly liked the new cooking experience with 44% of participating customers surveyed stating they made the switch to induction cooking.
- 7) A program to incentivize the purchase of EV's by local non-profits has resulted in 4 EV's being placed and 3 non-profits under contract searching for an EV.
- 8) A partnership to promote low income solar installations on homes was initiated with Grid Alternatives. This took the form of a direct mailing to qualifying residents of Sonoma and Mendocino Counties and resulted in 62 responses and 14 approved applications. The mailer will be repeated in 2019.
- 9) The Advanced Energy Rebuild program has been created in cooperation with PG&E and the BAAQMD to incentivize those rebuilding their homes





















Status: Staff will continue to loan portable induction cooktops to SCP customers so that they can experience the ease and safety of this technology.

Involved Parties: SCP Staff

#### Immediate Action Four:

Implement the Advanced Energy Rebuild Incentive Program

Project: Partner with PG&E and BAAQMD on an incentive program that will accelerate the adoption of highly efficient and all electric homes in the fire rebuild zones

Status: The AER incentive is available to parties rebuilding in the burn zones of Sonoma and Mendocino counties. As of January 2019, we have received 150 applications.

Involved Parties: PG&E, BAAQMD, Production Builders, City of Santa Rosa, County of Sonoma, County of Mendocino

#### Immediate Action Five:

Participate with Local Jurisdictions on Ordinances that Encourage Efficiency Upgrades in Local Buildings

Project: Develop standard “Reach Ordinances” that local jurisdictions can consider.

Status: SCP is actively engaging with NRDC, the Building Decarbonization Collation, and a group of California jurisdictions to create all-electric reach ordinances for the 2019 Title 24 energy code.

Involved Parties: Local cities and counties, NRDC, the Building Decarbonization Collation

#### Near Term Action One:

Develop an Education Program to be Facilitated through the Energy Marketplace

Project: Develop an education program that will inform contractors, retailers and the public of the advantages of using various energy efficiency technologies or building techniques.

Status: SCP has partnered with PG&E to train nearly 1,000 contractors, homeowners, architects, and engineers through Advanced Energy Rebuild trainings at the North Coast Builder’s Exchange. SCP will working with parties below to develop a yearlong training calendar which includes education.

Involved Parties: Sonoma County, RCPA, PG&E, Design Avenues LLC

### Long Term Action One:

#### Interface with the CPUC and Stakeholders on Review of the Three-Prong Test

**Project:** The CPUC's three-prong fuel substitution test, developed in the 1990s, determines what fuel substitution projects can receive utility customer-funded energy efficiency incentives and support. Industry groups led by NRDC and the Sierra Club are seeking clarification on and potential changes to the test to allow more program activities that reduce the use of natural gas and propane.

**Status:** NRDC has filed a motion seeking review and modification of the test.

**Involved Parties:** NRDC, Sierra Club, CPUC

### Long Term Action Two:

#### Develop Tools and Program Models to Assist Property Owners in Better Understanding the Financial Impacts of Fuel Switching

**Project:** Develop a tool/program model that helps customers evaluate the potential for energy efficiency/fuel switching, electric vehicles, and solar photovoltaics over short and long terms.

**Status:** In concept phase.

**Involved Parties:**

## **Program Strategy Three**

(PS3)

### Identify and Apply for External Funding to Support Programs

This strategy fulfills the following goals of SCP's JPA:

- c. Carrying out programs to reduce total energy consumption and;*
- d. Stimulating and sustaining the local economy, including by developing or promoting local distributed energy resources.*

#### Immediate Action One:

Monitor Existing Funding Channels for Potential Opportunities

- Project:** Monitor funding channels such as the DOE, CEC, CPUC, Air Districts, etc. for potential partnership opportunities.
- Status:** SCP was awarded a \$9.8M grant which is described in more detail in Program Strategy Two. We will continue to monitor grant opportunities and apply as appropriate.
- Involved Parties:** TBD

#### Long Term Action One:

Evaluate Cost-Effectiveness of Programs that Could Scale with CPUC Energy Efficiency Funds

- Project:** As a part of design and evaluation of any energy saving programs, calculate cost-effectiveness using CPUC metrics. Implementation of the CPUC metrics will assist the programs team evaluate which programs are good candidates for scaling using CPUC energy efficiency funds.
- Status:** Ongoing.
- Involved Parties:** To be determined based on program offering

## **Program Strategy Four**

(PS4)

### Promote the Aggregation of Loads and Resources

This strategy fulfills the following goals of SCP's JPA:

- b. Providing electric power and other forms of energy to customers at a competitive cost;*
- c. Carrying out programs to reduce total energy consumption;*
- d. Stimulating and sustaining the local economy, including by developing or promoting local distributed energy resources; and*
- e. Promoting long-term electric rate stability, energy security, reliability, and resilience.*

#### **Immediate Action One:**

##### Implement GridSavvy Community

**Project:** Develop a contract with a "Scheduling Coordinator" to aggregate the "technical aggregators" operating in SCP territory and manage bidding of a demand response program into the CAISO DRRS. This process is necessary to ensure SCP remains in compliance, but also to maximize the value of the various resources available to the public.

**Status:** We have entered into a contractual relationship with Olivine to administer a demand response program called GridSavvy. To date we have been able to dispatch a fleet of electric car chargers. We are working to add thermostats and HPWH's to our webstore that can also be dispatched. This effort will dovetail with the CEC grant work described in Program Strategy Two

**Involved Parties:** Olivine, eMW

## **Program Strategy Five**

(PS5)

### Support the Integration of Distributed Energy Resources in SCP's Territory

This strategy fulfills the following goals of SCP's JPA:

- a. Reducing greenhouse gas emissions in Sonoma County and neighboring regions;*
- b. Providing electric power and other forms of energy to customers at a competitive cost;*
- d. Stimulating and sustaining the local economy, including by developing or promoting local distributed energy resources; and*
- e. Promoting long-term electric rate stability, energy security, reliability, and resilience*

#### **Immediate Action One:**

Support Solar Sonoma County in providing assistance to SCP customers installing on-site renewable generation

**Project:** Solar Sonoma County provides support to local residents who wish to install renewable energy systems. SSC provides impartial advice regarding siting, financing and contractor selection.

**Status:** Contract in place with CCP/Solar Sonoma County

**Involved Parties:** Solar Sonoma County, CCP

#### **Immediate Action Two:**

Support the efforts of Grid Alternatives to provide solar to low income residents

**Project:** Grid Alternatives is a non-profit that implements the State of California's SASH program. SASH provides residential solar to qualified residents at no cost. SCP will direct mail residents in Sonoma and Mendocino Counties that may qualify for SASH.

**Status:** A direct mailer was sent in mid-2018 that resulted in 66 responses and 14 submitted applications that were approved by Grid Alternatives. We will repeat this effort in June 2019.

**Involved Parties:** Grid Alternatives

### Immediate Action Three:

#### Demand Charge Reduction Program

**Project:** Develop a customer service program to identify clients with high demand charges. Customers would be educated regarding methods to reduce demand charges and given the option of being connected with a company that specializes in this area.

**Status:** An RFP was circulated to battery storage firms who perform this type of work. STEM was selected through this competitive process. SCP's Customer Service Department is connecting STEM with SCP customers who may benefit from demand charge reduction.

**Involved Parties:** STEM

### Near Term Action One:

#### Determine How Best to Add Storage to SCP's ProFIT Program

**Project:** Develop a scope of work and solicit a consultant's proposal to determine the best practices necessary to incorporate energy storage into SCP's existing ProFIT program.

**Status:** No work completed to date

**Involved Parties:**

### Near Term Action Two:

#### Develop a Residential Battery Storage Program

**Project:** In cooperation with Customer Service, develop a residential battery storage program that is designed to offset any negative impacts of the switch to Time of Use billing.

**Status:** An RFI was circulated and interviews were held with several battery companies. It is most likely that this effort will be managed through the Advanced Energy Center as described in Program Strategy Two.

**Involved Parties:** Sonnen, Tesla,











## **Summary of Actions**

### **Immediate Actions:**

- Promote Transit Electrification *(PS1)*
- Provide Free Charging Stations *(PS1)*
- Provide electric mobility solutions for local non-profits *(PS1)*
- Promote the use of Electric Vehicles in TNC operations *(PS1)*
- Apply for EV Charging Infrastructure Funding From the CEC *(PS1)*
- Increase Level 3 Charging Opportunities in our Service Territory *(PS1)*
- Project Management for the Lead Locally CEC Grant *(PS2)*
- Investigate Potential for an On-Bill Financing Program within SCP's Territory *(PS2)*
- Promote Induction Cooking as an Alternative to Natural Gas
- Implement the Advanced Energy Rebuild Incentive Program *(PS2)*
- Participate with Local Jurisdictions on Ordinances that Encourage Efficiency Upgrades in Local Buildings *(PS2)*
- Monitor Existing Funding Channels for Potential Opportunities *(PS3)*
- Implement GridSavvy Community *(PS4)*
- Support Solar Sonoma County in providing assistance to SCP customers installing on-site renewable generation *(PS5)*
- Support the efforts of Grid Alternatives to provide solar to low income residents *(PS5)*
- Demand Charge Reduction Program *(PS5)*
- Provide Assistance to Commercial Customers in Optimizing Energy Efficiency *(PS6)*
- Continue the SWITCH Program *(PS8)*
- Create an Education Program for Schools in SCP Territory *(PS8)*
- Continue the DIY Tool Kit Program and Expand Program Offerings to Mendocino County *(PS8)*
- Continue the Induction Cooktop Lending Program

### **Near Term Actions:**

- Promote the use of Electric Vehicles in Car Sharing *(PS1)*
- Investigate Expansion of Free Charging Station Program to Multifamily Properties *(PS1)*
- Foster electric vehicle adoption in low-income multifamily properties *(PS1)*
- Investigate Possibility for Incentivization of Charging for Low-Income Customers *(PS1)*
- Develop an Education Program to be Facilitated through the Energy Marketplace *(PS2)*

- Evaluate Cost-Effectiveness of Programs that Could Scale with CPUC Energy Efficiency Funds *(PS3)*
- Determine How Best to Add Storage to SCP's ProFIT Program *(PS5)*
- Develop a Residential Battery Storage Program *(PS5)*
- Explore Program Models that Incentivize Developers to Choose Efficient, Electric Equipment *(PS6)*
- Study Potential for Micro-Grids in SCP Territory *(PS7)*
- Investigate the use of Bio-Mass Power Generation in SCP Territory *(PS7)*

### Long Term Actions:

- Promote the use of All-Electric Autonomous Vehicles in SCP Territory *(PS1)*
- Promote the use of Electric Vehicles in taxi companies *(PS1)*
- Interface with the CPUC and Stakeholders on Review of the Three-Prong Test *(PS2)*
- Develop Tools and Program Models to Assist Property Owners in Better Understanding the Financial Impacts of Fuel Switching *(PS2)*



## Staff Report - Item 05

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To: Sonoma Clean Power Authority Community Advisory Committee  
From: Cordel Stillman, Director of Programs  
Issue: 431 E Street - Update on Project Schedule and Budget  
Date: January 24, 2019

---

### **Requested Action**

Receive an update on the schedule and budget for improvements to 431 E Street.

### **Background & Discussion**

*Project Goal - To provide a headquarters for Sonoma Clean Power ("SCP") that maintains a healthy workplace while showcasing energy efficiency and fuel switching in the built environment.*

In July and August of this year, the Community Advisory Committee and Board of Directors approved a contract with EHDD to perform design services for the renovation of 431 E Street and 426 Beaver Street. At that time, staff stated a proposed budget and timeline would be brought to the Committee following completion of the Schematic Design. Staff have been working with EHDD during the Detailed Design phase and are now prepared to report to the Committee on an estimated Schedule and Budget.

At its January 10, 2019 meeting, the Board of Directors asked staff to continue design work after reviewing the project budget estimate in this report. This item updates the Committee of those matters, and lays out the next point at which both the Committee and Board will weigh in on the project.

### **Estimated Schedule**

The following summary schedule has been distilled from a detailed schedule prepared by our architect.

Completion of Detailed Design - March 2019

Completion of Construction Documents - June 2019

Bid Construction Project - June 2019

Award Contract - September 2019

Begin Construction - October 2019

Complete Construction - October 2020

Note: This schedule represents targeted completion dates, assuming everything (e.g., permits, contract negotiations, subcontractor coordination) is working normally, and will be updated on a regular basis.

### Estimated Budget

As part of our due diligence, we have caused cost estimates to be prepared by both our architect and by a third-party construction estimator hired directly by SCP. These cost estimates have been prepared with contingencies, which are allowances for flexibility and/or risk that attempt to conservatively quantify all the risks associated with a multi-year construction project. The estimates were prepared by professionals who understand the challenges related to the current cost climate in the construction industry. The two estimators met and agreed to the use of a common set of contingencies, in essence agreeing to a shared set of assumptions to use concerning risks in the current construction climate. As noted below with more specificity, the estimates also do not represent a guarantee of construction costs.

The cost estimate is developed by first estimating the cost of construction under ideal conditions and in today's market, and then making adjustments to account for risks and escalating costs due to time.

The initial Base cost (without contingencies) for construction is estimated at \$7.5 million. This cost does not include enhancements to the building that have been discussed, such as a solar power array, electric car charging, battery storage system and grid interactivity controls. These enhancements were selected to implement SCP's mission relating to decarbonizing the electric grid and transportation, but their costs are being tracked separately to allow discussion with the Committee and Board seeking to confirm their value. To add these enhancements would increase the cost by \$1.6 million to approximately \$9.1 million (without contingencies).



These initial figures were calculated as if the building is being constructed at this time, under ideal conditions. Since construction will not begin until late in 2019 and may continue for another year, it is prudent to assume that costs will be higher. Our consultants have identified three areas where they feel adjustments should be made. They have assigned a percentage for each that should be applied to the initial Base cost. They include;

- 1) Construction contingency (10%): This risk factor takes into account changes that could occur during construction and any changes to existing conditions that may come to light during construction.
- 2) Scope contingency (5%): This accounts for any changes to the design that may be implemented by SCP between now and the end of construction.
- 3) Bid contingency (15%): This risk factor accounts for the potential changes in market conditions between now and bidding the project.

With a total of 30% applied, the estimated costs of construction are approximately \$9.75 million for the base building and \$11.83 million with the energy related enhancements.

Throughout this process, staff have been working with the architect and engineers to identify areas where costs can be cut and where the schedule can be accelerated.

The local market for build-to-suit office buildings of similar quality (between Class B and Class A) ranges from \$580 to \$750/SF. Our base building cost (with contingency) is approximately \$680/SF for a building that will meet our current and future needs. Enhancing the building to be a showcase of efficiency and grid interactivity will add approximately \$105/SF.

The costs of constructing improvements to 431 E Street will be spread over three fiscal years. Costs for architecture and other preparatory costs are being covered in this current fiscal year. Costs in future fiscal years are anticipated to be covered by current income and reserves funds with the following proposed allocation. Note that even with Board authorization to continue with design at this stage, the Committee will have the ability to advise, and the Board will have the ability to adjust this allocation in future budget decisions.

<b>Fiscal Year</b>	<b>Total Expected Investment</b>	<b>Source of Funds</b>
FY18-19	\$1 million	\$1m Current income
FY19-20	\$7 million	\$4m Current income \$2m Program Reserves \$1m Operating Reserves
FY20-21	\$3.83 million	\$3.83m Current income

At the January 10, 2019 Board meeting, staff proposed to pay for the energy-related investments in solar, battery storage, EV charging and grid controls (estimated at \$2.1 million) using the Program Reserves.

After reviewing the cost estimates for the work at this stage, Staff recommended that the Board provide direction to staff to proceed with the remaining design work, which they did. As SCP proceeds with building design, the next check-in for both the Committee and the Board will be to review and potentially approve a contract for construction.