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Customer Service Policy A.1
Customer Confidentiality

Notice of Accessing, Collecting, Storing, Using, and Disclosing Energy Usage Information

Sonoma Clean Power Authority (SCPA), its employees, agents, contractors, and affiliates shall maintain the confidentiality of individual customers’ names, service addresses, billing addresses, telephone numbers, email addresses, account numbers, and electricity consumption, except where reasonably necessary to conduct SCPA’s business or to provide services to customers as required by the California Public Utilities Commission (CPUC). Examples of reasonably necessary business purposes include but are not limited to when such disclosure is necessary to (a) comply with law, regulation, or court order; (b) enable SCPA to provide service to its customers; (c) collect unpaid bills; (d) obtain and provide credit reporting information; (e) resolve customer disputes or inquiries; (f) communicate about demand response, energy efficiency, energy management, and conservation programs, or (g) in situation of imminent threat to life or property. SCPA shall not, under any circumstance, disclose customer information for third-party telemarketing, e-mail, or direct mail solicitation. Aggregated data that cannot be traced to specific customers may be released at SCPA’s discretion.

Customer data, including individual customer names, addresses, and electric energy usage data, is collected via PG&E’s metering systems. SCPA may share customer data with contractors and vendors for purposes of providing services and operating programs. Contractors and vendors are required to agree to only use customer data for program operational purposes and protect it under the same standards as SCPA. SCPA maintains customer-specific energy usage and billing information for only as long as is reasonably necessary, typically not more than five years unless otherwise necessary by law or regulation.

The effective date of this policy is October 22, 2015. Notice of this policy will be provided annually to customers via an on-bill message to guide customers to the most updated version on Sonoma Clean Power’s website at www.SonomaCleanPower.org. Any changes to this policy between notification periods will be communicated through Sonoma Clean Power’s website. Previous versions of this policy can be requested via email at Info@SonomaCleanPower.org or by mailed request to Sonoma Clean Power, Attention: Director of Customer Service, PO Box 1030, Santa Rosa, CA 95402.

Customers having any questions or concerns regarding the collection, storage, use, or distribution of customer information, or who wish to view, inquire about, or dispute any customer information held by SCPA or limit the collection, use, or disclosure of such information, may contact Erica Torgerson, Director of Customer Service, by phone at (707) 791-1341, via email at ETorgerson@SonomaCleanPower.org, or by mail at PO Box 1030, Santa Rosa, CA 95402.

Adopted: November 7, 2013
Amended: May 7, 2015 and October 22, 2015
Customer Service Policy A.2
Terms and Conditions of Service

As attached to this Customer Service Policy A.2, Sonoma Clean Power Authority shall maintain at all times an official copy of Sonoma Clean Power’s (SCP’s) terms and conditions. An identical version of the terms and conditions shall be used to fulfill legal noticing requirements and in other instances where references to the terms and conditions are made. Pursuant to Administrative and General Policy D.3, SCP Staff shall, on no less than a quarterly basis, review the terms and conditions, making any ministerial updates as needed. Also in accord with Administrative and General Policy D.3, substantive changes to the terms and conditions shall be presented as an amendment to this Customer Service Policy A.2, to the Community Advisory Committee for review, comment and recommendation, and subsequently presented to the Board for approval by motion.

CUSTOMER SERVICE POLICY A.2 ATTACHMENT
Terms and Conditions of SCP Service

Rates: Sonoma Clean Power (SCP) electric generation rates are managed with the intention of providing cleaner electricity at competitive rates. Changes to SCP rates are adopted at duly noticed public meetings of the Sonoma Clean Power Authority Board of Directors. Please visit sonomacleanpower.org or call toll free 1 (855) 202-2139 for more information. PG&E will also charge SCP customers a Power Charge Indifference Adjustment (PCIA) and Franchise Fee Surcharge. Please contact PG&E for more information about these charges.

Billing: SCP customers receive a single monthly bill from PG&E that includes all electricity-related charges, including SCP electric generation charges. PG&E forwards payments for SCP generation to SCP. PG&E will continue to charge for transmission, distribution, public goods programs and other non-generation charges at the same rates it charges customers who do not receive SCP service.

Enrollment: SCP is the default electricity provider in the unincorporated areas of Sonoma County and Mendocino County, the Cities of Cloverdale, Cotati, Fort Bragg, Petaluma, Point Arena, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Willits and the Town of Windsor. Customers in these areas automatically receive SCP’s CleanStart service. If a customer wishes to receive electric generation from PG&E, the customer must opt out of SCP service. Opting out of SCP service can be done at any time. SCP customers can also choose, at any time, to receive SCP’s EverGreen 100% local, renewable electricity. To opt out of SCP service or sign up for EverGreen, please have a PG&E bill on hand and call 1 (855) 202-2139 or visit sonomacleanpower.org.

Adopted: January 8, 2015
Amended: February 2, 2017

sonomacleanpower.org
Opt Out: Customers who choose to opt out of SCP in the 60 days before or after the start of service with SCP can return to SCP service at any time. Customers opting out of SCP service 60 days or more after SCP service starts must pay an SCP termination fee of $25 (for commercial customers) or $5 (for residential customers), and will be subject to PG&E’s terms and conditions of service, which prohibit a customer from returning to SCP service for one year. For information on PG&E’s terms and conditions visit [pge.com/cca](http://pge.com/cca). SCP termination fees are not assessed for opting out within the first 60 days before or after initial enrollment with SCP or if electric service is completely discontinued (e.g. a customer moves). Customers who opt out are charged for all SCP electricity used before transferring electric service to PG&E. Accounts will be transferred to PG&E on the day of the electric account meter read, and cannot be transferred during the middle of a billing cycle. Opt out requests received at least 5 business days prior to a customer’s meter read date will be processed for that meter read date; all other opt out requests will be processed on the next meter read date.

Failure to Pay: SCP may transfer delinquent accounts to PG&E upon 14 calendar days’ written notice. Delinquent accounts will be required to pay the termination fee described above, and may be subject to collections.

Customer Privacy Policy: SCP’s Notice of Accessing, Collection, Storing, Using, and Disclosing Energy Usage Information Policy can be found at [sonomacleanpower.org/customer-confidentiality](http://sonomacleanpower.org/customer-confidentiality) or by calling 1 (855) 202-2139.
Custom Service Policy A.3
Delinquent Accounts and Collections

Sonoma Clean Power (SCP) customer accounts exceeding $250 in charges overdue for more than 90 days will be sent a late payment notification. The customer will be provided 60 days to pay or make payment arrangements. If payment in full is not received within 60 days, or the terms of an activated payment arrangement are not fulfilled, the customer account will be returned to Pacific Gas and Electric Company (PG&E) generation service on the next account meter read date. Customers returned to PG&E are subject to applicable termination fees.

Closed SCP accounts with overdue amounts in excess of $20 may be referred to a collection agency or agencies. Amounts $20 or less may be written off. Collection agencies retained by SCP shall be vetted to ensure all consumer protection laws are strictly followed. On no less than a monthly basis, SCP shall review the practices and results of any retained collection agency or agencies, taking immediate action to address any concerns that may arise.
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Information Technology (IT) Security Policy A.4

Information Technology (IT) is a critical Sonoma Clean Power Authority (SCPA) asset and will be managed to ensure that it remains accurate, confidential, and available for authorized business activities only. Proper management of information technology is required to support regulatory compliance, minimize legal liability, reduce the risk of criminal activity, and to sustain stakeholder and customer satisfaction.

SCPA is dependent on information technology to conduct business operations. The Chief Executive Officer, Director of Internal Operations, and Director of Customer Service, in collaboration with the IT Consultant have been designated as the IT Security Team (IST) and are responsible for communicating IT policies and standards, helping all personnel achieve compliance with policies and standards, and reporting to management on any non-compliance or areas of risk.

SCPA will make information technology accessible only to authorized employees or designated vendors as needed and such information shall only be used for authorized agency purposes. To ensure protection of information technology, operational guidelines will be in place for employees and designated vendors to follow which adhere to the principles below:

- Access to specific information technology is to be assigned to SCPA employees or designated vendors with the minimum level of access necessary to perform respective responsibilities.
- Access to information technology will be made available only to the extent necessary to support authorized business functions.
- Security systems are to be structured with multiple layers of security, including physical, network, host, and personnel security measures.
- The degree of information security protection is to be commensurate with the impact of inadvertent or intentional misuse, improper disclosure, damage or loss.
- Adequate controls will divide sensitive duties among more than one individual to provide checks and balances that help ensure operational guidelines are followed.
- Security is not an optional component of operations. All SCPA staff and designated vendors are required to protect information. All staff and designated vendors that use or have access to SCPA information technology are personally responsible for exercising the proper control over information according to the operational guidelines provided to them.

Operational guidelines for treatment of information technology are subject to change as needed to protect SCPA based on any changes in systems, threats, and practices. All substantive changes will be brought back before SCPA’s Board of Directors for formal approval.

Adopted: February 7, 2019
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Advance Metering Infrastructure (AMI) Data Security and Privacy Policy A.5

Sonoma Clean Power Authority (SCPA) developed the following policy for ensuring the privacy and security of AMI data and customer usage information pursuant to Attachment B of the California Public Utilities Commission Decision 12-08-045.

1) GENERAL
   a) SCPA shall implement reasonable administrative, technical, and physical safeguards to protect covered information from unauthorized access, destruction, use, modification, or disclosure.
   b) SCPA and all third parties shall provide reasonable training to all employees and contractors who use, store or process covered information as needed.
   c) SCPA shall collect, store, use, and disclose only as much covered information as is reasonably necessary or as authorized by the Commission to accomplish a specific primary purpose.

2) TRANSPARENCY AND NOTIFICATION
   a) SCPA shall provide customers with meaningful, clear, accurate, specific, and comprehensive notice regarding; the accessing, collection, storage, use, and disclosure of AMI data. Provided, however, that SCPA is using AMI data solely for a primary purpose, it is not required to provide separate notice.
   b) SCPA shall provide written notice when; confirming a new customer account and at least once a year. The notice shall inform customers how they may obtain a copy of SCPA’s notice regarding the accessing, collection, storage, use, and disclosure of AMI data (aka “covered information”) and shall provide a conspicuous link to the notice on the home page of their website and include a link to their notice in all electronic correspondence to customers.
      ▪ The notice shall be labeled Notice of Accessing, Collecting, Storing, Using and Disclosing Energy Usage Information and shall—be written in easily understandable language and be no longer than is necessary to convey the requisite information.
      ▪ The notice and the posted privacy policy shall state clearly— the identity of SCPA, the effective date of the notice or posted privacy policy, SCPA’s process for altering the notice or posted privacy policy, including how the customer will be informed of any alterations, and where prior versions will be made available to customers, and the title and contact information, including email address, postal address, and telephone number, of an official at SCPA who can assist the customer with privacy questions, concerns, or complaints regarding the collection, storage, use, or distribution of covered information.
      ▪ The notice shall provide an explicit description of— each category of covered information collected, used, stored or disclosed, and for
each category of covered information, the reasonably specific purposes for which it will be collected, stored, used, or disclosed.

- Each category of covered information that is disclosed to third parties, and, for each such category, (i) the purposes for which it is disclosed, and (ii) the categories of third parties to which it is disclosed, and the identities of those third parties to whom data is disclosed for secondary purposes, and the secondary purposes for which the information is disclosed; the approximate period of time that covered information will be retained by the covered entity a description of the means by which customers may view, inquire about, or dispute their covered information, and the means, if any, by which customers may limit the collection, use, storage or disclosure of covered information and the consequences to customers if they exercise such limits.

c) SCPA shall provide to customers upon request convenient and secure access to their covered information— in an easily readable format that is at a level no less detailed than that at which the covered entity discloses the data to third parties.

3) USE, DISCLOSURE, AND CUSTOMER AUTHORIZATION

a) SCPA may disclose covered information without customer consent to a third party acting under contract with the Commission for the purpose of providing services authorized pursuant to an order or resolution of the Commission or to a governmental entity for the purpose of providing energy efficiency or energy efficiency evaluation services pursuant to an order or resolution of the Commission.

b) SCPA may disclose covered information to a third party without customer consent when explicitly ordered to do so by the Commission; or for a primary purpose being carried out under contract with and on behalf of SCPA provided that the covered entity disclosing the data shall, by contract, require the third party to agree to access, collect, store, use, and disclose the covered information under policies, practices and notification requirements no less protective than those under which the covered entity itself operates.

c) Any entity that receives covered information derived initially from SCPA may disclose such covered information to another entity with SCPA’s consent, but without customer consent for a primary purpose, provided that the entity disclosing the covered information shall, by contract, require the entity receiving the covered information to use the covered information only for such primary purpose and to agree to store, use, and disclose the covered information under policies, practices and notification requirements no less protective than those under which the covered entity from which the covered information was initially derived operates.

d) When SCPA discloses covered information to a third party under this subsection (reference is to subsection 6(c) of Attachment B to CPUC Decision 12-08-045) it shall specify by contract, unless otherwise ordered by the Commission, that it shall be considered a material breach if the third party engages in a pattern or practice of accessing, storing, using or disclosing the covered information in violation of the
third party’s contractual obligations to handle the covered information under policies no less protective than those under which the covered entity from which the covered information was initially derived.

e) If SCPA finds that a third party contractor to which it disclosed covered information is engaged in a pattern or practice of accessing, storing, using or disclosing covered information in violation of the third party’s contractual obligations related to handling covered information, SCPA shall promptly cease disclosing covered information to such third party.

f) If SCPA receives a customer complaint about a covered entity disclosing covered information to a Commission-authorized or customer-authorized third party and the third party’s misuse of data or other violation of the privacy rules, SCPA shall upon customer request or at the Commission’s direction, promptly cease disclosing that customer’s information to such third party. SCPA shall notify the Commission of any such complaints or suspected violations.

g) No covered entity shall use or disclose covered information for any secondary purpose without obtaining the customer’s prior, express, written authorization for each type of secondary purpose. This authorization is not required when information is – (i) provided pursuant to a legal process; (ii) provided in situations of imminent threat to life or property; or (iii) authorized by the Commission pursuant to its jurisdiction and control.

h) Separate authorization by each customer must be obtained for all disclosures of covered information except as otherwise provided for herein.

i) SCPA shall permit customers to cancel authorization for any secondary purpose of their covered information by the same mechanism initially used to grant authorization.

j) The consent of a residential customer shall continue without expiration, but an entity receiving information pursuant to a residential customer’s authorization shall contact the customer, at least annually, to inform the customer of the authorization granted and to provide an opportunity for revocation. The consent of a non-residential customer shall continue in the same way, but an entity receiving information pursuant to a nonresidential customer’s authorization shall contact the customer, to inform the customer of the authorization granted and to provide an opportunity for revocation either upon the termination of the contract, or annually if there is no contract.

k) SCPA shall permit the use of aggregated usage data that is removed of all personally-identifiable information to be used for analysis, reporting or program management provided that the release of that data does not disclose or reveal specific customer information because of the size of the group, rate classification, or nature of the information.
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Financial Policy B.1
CEO Spending Authority

The Sonoma Clean Power Authority (SCPA) CEO is authorized to make expenditures without prior Board or Community Advisory Committee review or approval provided that:

1. For power procurement, the total annual cost does not exceed $5 million AND the expenditure will not result in exceeding the amount annually budgeted and approved for energy and scheduling;

2. For all other expenditures the total annual cost does not exceed $100,000 AND the expenditure will not result in exceeding the amount annually budgeted and approved in the applicable category;

3. The expenditure is consistent with all adopted SCPA policies;

4. The Board Chair and Vice Chair, and the Community Advisory Committee Chair are notified immediately following any Product purchases that exceed $100,000;

5. The expenditure is in the best interests of SCPA customers; and

6. All expenditures in excess of $100,000 are reported at the next Board meeting.
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Financial Policy B.2
Available Fund Balance, and Operating, Program and Collateral Reserves

SCP has an Operating Reserve for the purpose of supporting agency credit, a Program Reserve that allows multi-year program funding commitments, and a Collateral Reserve to allow the posting of collateral for energy and related purchases.

Target balances are:

- Operating Reserve 50% of total annual budgeted expenses
- Program Reserve 10% of total annual budgeted expenses
- Collateral Reserve 10% of annual energy expenditures

Prior to reaching these targets, the following shall apply to Sonoma Clean Power Authority’s financial management:

1) Rate Setting and Budgeting:

   A. If rates can be kept competitive with PG&E, a minimum of 3% of revenues shall be recovered through rates to provide for the Operating Reserve, Program Reserve and Collateral Reserve, and reduce financial risk. Rates shall be deemed competitive if SCP’s average retail generation rate¹, inclusive of all fees², is not more than 2% above PG&E’s average retail generation rate³.

   B. If rates cannot be kept competitive per the definition in 1.A, then the additional amount to be recovered through rates shall be reduced so that SCP’s average retail rate is no more than PG&E’s average retail rate. However, the withdrawal of cash reserves to reduce rates should only be done in cases where the Board makes three findings (1) the use of reserves to reduce rates is likely to be needed because of a short-term reason, and unlikely to be needed in subsequent years; (2) there is a material likelihood that SCP or its customers would be significantly harmed without the use of reserves, and (3) the benefit is greater than the potential credit downgrade from use of the reserves.

2) Allocating the Increase in Available Fund Balance, if any:

¹ The Average Retail Generation Rate is the total revenue collected for generation divided by the total kilowatt-hours of energy sold.

² All fees separately charged to SCP customers as determined by the CPUC. Today this includes the Power Charge Indifference Adjustment and a Franchise Fee.

³ See footnote #1.
A. 75% to Operating Reserves to support credit and mitigate financial risks.

B. 15% to Program Reserves to support programs that have financial commitments which extend beyond the current fiscal year consistent with SCPA’s mission. Program Reserve usage must be authorized by the SCPA Board of Directors with prior review by the Community Advisory Committee.

C. 10% to the Collateral Reserves to provide a source of collateral for purchasing energy and energy-market products.

Annual Increase in Available Fund Balance shall be determined based on information reported in the annual audited financial statements. Available fund balance at the end of a fiscal year is equal to assets convertible or expected to be converted into cash within 90 days.

When one or two of the reserve targets are met, greater percentages shall be contributed to the unmet target(s) at the Board’s direction.

Upon reaching the target balances, rates and budgets shall be set to maintain the target balances.
Financial Policy B.3
Accounts Receivable Reserve

In order to accurately report accounts receivable, net assets and earnings, Sonoma Clean Power Authority (SCPA) shall estimate the rate of collection of amounts billed to customers by evaluating and monitoring the historical rates of collection of amounts billed to customers. Consideration shall be given to changes in the commercial and residential customer ratio, demographics, or other factors that might influence changes from historical rates.

As changes in historical rates of collection are identified, SCPA shall adjust estimated reserve amounts and record uncollectable amounts to align with the most recent data available. SCPA shall review historical data no less than twice annually, evaluating any changes that may be needed to the estimated reserve amount and recorded uncollectable amounts.
Financial Policy B.4
Bad Debt

Sonoma Clean Power Authority (SCPA) shall include an annual budgetary reserve for bad debt. The reserve shall initially be established at 0.35% of revenues. Thereafter, on an annual basis, if actual collections experience so indicates, the bad debt reserve shall be modified appropriately.
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Power Services Policy C.1
Risk Management

Sonoma Clean Power Authority (SCPA) provides retail electric service to customers enrolled in the Sonoma Clean Power program. In order to provide such service while meeting associated legal compliance obligations and furthering the purposes of the program, SCPA engages in several types of procurement activities for an array of energy-related products. The products may include those related to energy, capacity, ancillary services, energy transmission and others that may be defined through legislative and regulatory changes. Procurement activities may include competitive solicitations, bilateral negotiations, programmatic activities, project development and participation in various markets such as those run by the California Independent System Operator (CAISO).

As an agency that serves customer electric load, and manages a portfolio to perform this function, SCPA faces exposure to many types of risk, such as: forecast error, commodity price fluctuation, market liquidity, and counterparty credit. These risks directly impact overall procurement costs and the risk of adverse procurement cost changes.

SCPA shall implement processes that monitor and manage procurement cost risk consistent with utility industry practice, for the purpose of prudently balancing the dual objectives of cost minimization and protection against low-probability adverse cost movements. These objectives are frequently in conflict, as lowest cost procurement may be achieved by settling all transactions in spot markets and none through forward contracts, while the lowest risk portfolio may be achieved at prohibitively high cost.

Therefore, SCPA’s risk management processes shall include methods to model and calculate portfolio cost in low probability circumstances (5% probability, or 95th percentile) and shall, on no less frequently than a quarterly basis, monitor this cost against a tolerance threshold equal to a 10% increase in procurement costs. In the event that the calculated portfolio cost at the 95th percentile exceeds the tolerance threshold, SCPA management will be notified and corrective action will be taken to reduce this cost to a level at or below the threshold.
Power Services Policy C.2
California Independent System Operator

Sonoma Clean Power Authority (SCPA) is a Market Participant as defined in the California Independent System Operator’s (CAISO) Federal Energy Regulatory Commission filed tariff. SCPA’s participation in the CAISO markets includes, but is not limited to, the areas of Scheduling Coordination, energy imbalance settlement, Congestion Revenue Rights accrual, settlements, and other activities, rights and responsibilities as determined in the CAISO tariff as it applies to all CAISO market participants. SCPA’s CAISO market participation shall:

1) Strictly comply with the laws, rules and regulations governing CAISO operation, including but not limited to, the Federal Energy Regulatory Commission approved CAISO Tariff, CAISO Business Practice Manuals, and any successors;
2) Be consistent with SCPA Board adopted Policies; and
3) Continuously seek the lowest cost, least risk impact to SCPA customers.

On an interval appropriate to each specific CAISO market, but in no circumstance on less than a monthly basis, SCPA shall monitor CAISO transactions for conformance to expected outcomes. SCPA shall immediately take all appropriate actions to address identified deviations. To the extent SCPA identifies contingencies that are likely to result in an impact exceeding 5% of gross revenues, SCPA shall report such contingencies and their proposed resolution to the Community Advisory Committee and the Board at the next available Committee and Board meetings.
Power Services Policy C.3
Procurement Criteria, Policies, and Signature Authority

This Procurement Policy C.3 applies to all “Energy Contracts” as defined in Exhibit A to the Third Amended and Restated Joint Powers Agreement.

Definitions:

As used in this Procurement Policy C.3:

“Transaction” means any “Energy Contract.”

“Spot Transaction” means any Transaction that involves deliveries of product for a period of less than five days.

General Requirements:

All Transactions other than Spot Transactions must be evidenced by a written agreement or confirmation that has been reviewed and approved as to form by the General Counsel or by an outside counsel approved by the General Counsel.

All Transactions must be consistent with any then-applicable Integrated Resource Plan adopted by the Board of Directors. If no Integrated Resource Plan has been adopted by the Board of Directors, all Transactions must be consistent with the purposes stated in the JPA. Transactions that are not consistent with an adopted Integrated Resource Plan or with the JPA must be approved by the Board of Directors. All Transactions must also meet the criteria set forth in Procurement Policy C.1, relating to risk management.

Any Transaction requiring the posting of collateral will require, at a minimum, the signatures of the Director of Power Services and the Chief Executive Officer, in addition to any other applicable signature requirements.

Procurement Categories and Signature Requirements:

The table below shows the requirements for specific categories of procurement, and the individuals who are authorized to execute agreements, confirmations, and other documents relating to the procurement.
<table>
<thead>
<tr>
<th>PROCUREMENT CATEGORY</th>
<th>SIGNATURE REQUIREMENTS</th>
<th>COUNSEL REVIEW REQUIREMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spot Transactions</td>
<td>(a) Energy Market Analyst and either Senior Power Analyst or Director of Power Services; or (b) Senior Power Analyst and Director of Power Services</td>
<td>None</td>
</tr>
<tr>
<td>Non-Spot Transactions of Duration Less Than 3 Years and Having Notional Value of Less Than $5,000,000</td>
<td>Senior Power Analyst and Director of Power Services</td>
<td>Outside Counsel</td>
</tr>
<tr>
<td>Transactions Less Than 10 Years and Notional Value of less than $250,000,000</td>
<td>Director of Power Services and Chief Executive Officer</td>
<td>Outside Counsel and General Counsel</td>
</tr>
<tr>
<td>Transactions of 10 Years or More Duration or Having Notional Value Greater Than $250,000,000</td>
<td>Director of Power Services, Chief Executive Officer, and Chair and Vice Chair of Board of Directors</td>
<td>Outside Counsel and General Counsel</td>
</tr>
</tbody>
</table>
Power Services Policy C.4
SCPA Policy Governing Preferred Resources for Serving Multiple SCP Customers During Public Safety Power Shutoffs

The Governing Board of the Sonoma Clean Power Authority (SCPA) establishes the following requirements for electric energy resources serving more than one SCP customer account in microgrids and any situation where customers are disconnected or islanded from transmission and/or distribution service.

1. **Short-term.** Any backup power options that will be in use for less than 3 years are recognized as transitional. SCP creates no additional requirements for these transitional resources beyond the requirements provided by federal and state agencies.

2. **Minimize the Need and Cost for Local Generation and Storage.**
   a. The IOU should create a baseline schedule and budget for fully repairing and hardening the transmission grid before any consideration of local generating or storage resources is made. SCP finds it unacceptable to assume that high-voltage transmission lines will be shutoff for any appreciable frequency or duration in PSPS events for a period lasting more than 3 years.
   
   b. The IOU should minimize the number of customers affected by PSPS events through circuit segmentation, substation reconductoring, targeted undergrounding, tree management, and all other practical means before any consideration of local generating or storage resources is made.

3. **Use the State’s Adopted Loading Order.** When using the CPUC and CAISO’s adopted loading order for microgrids, some resources are naturally excluded, such as large hydropower, coal and nuclear power due to an inability to locate in the distribution grid. The remaining resources are listed here in order:
   
   a. Demand Response and Energy Efficiency is first. In the case of microgrids, this should also prioritize essential loads ahead of flexible loads. Electric vehicle charging and heat pump water heating are examples of flexible loads under SCP dispatch.
   
   b. Renewable Portfolio Standard (RPS) eligible resources are next. This includes solar, wind, small hydropower, geothermal, biomass and biogas. Note that SCP’s governing board does not allow biomethane offsets of local natural gas use in this category.
   
   c. Batteries and other means of storing electricity is next.
   
   d. Combined Heat & Power (CHP) is next. This category is the first that

Adopted: February 6, 2020
allows the use of a fossil energy resource (usually natural gas), but with the condition that waste heat is captured and put to a valuable use and that all local natural gas use is offset with biomethane.

e. Finally, other forms of natural gas power may be considered to meet any remaining residual need. Biomethane offsets of local natural gas are prioritized above projects that do not offset local natural gas use.

For both 3(d) and 3(e), SCP’s governing board makes an additional requirement. The IOU should provide detailed information about the likely number, duration and scope of PSPS events if no local natural gas powered systems were installed. In the case that the remaining shutoffs are likely to be infrequent, short in duration and otherwise cause minimal harm, SCP’s governing board reserves the right to seek input from the affected community and make a determination of the best pathway.
Administrative and General Policy D.1
Prohibition Against Dissemination of Untrue or Misleading Information

Pursuant to California Public Utilities Code Section 396.5:

Dissemination by Sonoma Clean Power Authority (SCPA) (i.e. Board and Committee Members, and/or SCPA Staff, and/or SCPA representatives acting under authorized SCPA direction) of any statement relating to Sonoma Clean Power’s (SCP’s) rates or terms and conditions of service that is untrue or misleading, and that is known, or that, by the exercise of reasonable care, should be known, to be untrue or misleading is strictly prohibited. Individuals who violate this Administrative and General Policy D.1 may be, as determined by the Board, subject to corrective action.
Administrative and General Policy D.2
Records Retention

Whenever possible, Sonoma Clean Power Authority (SCPA) records shall be retained in searchable, electronic format. Records shall be kept, at a minimum, for the period required by law or regulation. If no law or regulation is applicable, or if other compelling reasons are established, records may be retained for longer period of times including in perpetuity.
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Administrative and General Policy D.3
Process for Amending and Adopting Policies

All newly proposed Sonoma Clean Power Authority (SCPA) policies, or substantive proposed amendments to existing SCPA policies, shall be presented to the Community Advisory Committee for review, comment and recommendation, and subsequently presented to the Board for approval by motion.

A current copy of SCPA policies shall be posted on the Sonoma Clean Power website at all times. On at least an annual basis, a thorough review of the SCPA policies shall be conducted. Ministerial updates required to keep the SCPA policies current shall be made under the approval of the CEO and General Counsel, with an email notice containing a link to the updated policies sent to all Board and Committee members.

Adopted: January 8, 2015
Administrative and General Policy D.4
New Customer Communities

Whereas, the Sonoma Clean Power Authority’s (SCPA) purposes include:

- Reducing greenhouse gas emissions related to the use of power in Sonoma County and neighboring regions;
- Providing electric power and other forms of energy to customers at a competitive cost;
- Carrying out programs to reduce energy consumption;
- Stimulating and sustaining the local economy by developing local jobs in renewable energy; and
- Promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources; and

Whereas, creating opportunities for new communities to benefit from community choice aggregation programs may allow SCPA to further progress towards these purposes; and

Whereas, SCPA’s default CleanStart service reduces greenhouse gas emissions when compared to the incumbent utility’s default service; and

Whereas, the addition of new communities to SCPA’s service territory will accelerate progress toward SCPA’s and the State of California’s goals on renewable energy and greenhouse gas reductions;

Therefore, in light of these considerations, it is SCPA’s policy to consider providing electric service in new communities to further SCPA’s goals, consistent with the criteria set forth below.

Applications to serve new communities will be considered if all of the following criteria are met:

1. The community is relatively close to existing SCPA service territory, so that regular meeting attendance and community engagement is practical.

2. The community agrees to abide by the SCPA Joint Powers Agreement, all existing SCPA adopted policies, and any conditions of service proscribed by SCPA’s Board of Directors, and to take all steps required by the Joint Powers Agreement and California law to participate in the SCP program, with governance representation determined by the existing SCPA Board of Directors.

3. The SCPA Board of Directors finds that service to the new region:
   a. will decrease greenhouse gas emissions;
   b. will not increase costs or financial risks to existing SCP customers;
   c. will be consistent with SCPA’s purposes of promoting renewable energy, energy efficiency and conservation

Adopted: December 3, 2015
4. There should be significant political and public alignment of values between existing and proposed participants, so that fundamental conflicts over key underlying issues are less likely. This would be important, for example, in determining the balance of environmental and economic goals.

5. The addition of the new community is likely to increase the voice of SCPA in legislative and regulatory matters at the California Public Utilities Commission, California Energy Commission, California Air Resource Board, the California State Legislature and other relevant venues.

6. The addition of the new community will not harm SCPA’s autonomy over its portfolio of power sources, customer programs, and its ability to serve local, community interests.

7. The addition of the new community will not harm the quality of service to existing SCPA customers and will not give rise to operational risks that could significantly harm SCPA’s existing functions.

An applicant community that initially appears to meet the above criteria may be referred by the SCPA Board of Directors to SCPA staff for a more detailed analysis of the applicability of above criteria, and any other relevant issues, following the New Customer Community Application Procedure set forth below.
Sonoma Clean Power
New Customer Community Application Procedure

Step 1  Governing body of applicant community submits letter to SCP requesting consideration for service.

Step 2  Staff evaluates timing of request to determine if internal resources are available to consider request, and to ensure no impact to core agency functions.

Step 3  Staff submits request to SCPA Board of Directors along with staff’s initial opinion, and the Board determines whether a full analysis is warranted. If so, staff sends a letter of acknowledgement to the applicant region.

Step 4  Staff executes contract with governing body of new community to fund costs of membership analysis and other SCPA costs relating to adding community (e.g., cost of updating Implementation Plan). These costs would be deducted from program funding that normally would flow to the new territory until startup costs are reimbursed to SCPA’s operating fund. Staff undertakes and completes a full analysis.

Step 5  Results of membership analysis presented to governing body of new community and to SCPA Board of Directors. SCPA Board determines whether providing service to new community is consistent with Policy D-4, whether new community will be offered representation on the Board, and what other conditions will apply to new service.

Step 6  A 60-day period will be provided for SCPA Board members to request a presentation by SCPA staff before their city or town councils or county board of supervisors, and to allow adequate time for city/town and county staff to evaluate the proposed extension of service.

Step 7  SCPA Board of Directors votes on whether to extend a formal offer for service.

Step 8  Governing body of new community approves resolution requesting membership and ordinance authorizing community choice aggregation service through SCPA, and takes any other actions required by the SCPA Board of Directors as a condition of service.

Step 9  SCPA Board of Directors adopts resolution authorizing membership of the additional community, and staff submits updated Implementation Plan to CPUC.

Adopted: December 3, 2015
Step 10  SCPA Staff develops service plan and schedule, begins buying additional energy, and starts community outreach.