



**DRAFT MEETING MINUTES - ITEM 4
BOARD OF DIRECTORS MEETING
THURSDAY, MARCH 2, 2023**

Approve the Delegated Authority to the CEO or his Designee to Execute Geothermal Opportunity Zone (GeoZone) Cooperation Agreements with Chevron New Energies, Cyrq Energy Inc., and Eavor Inc. and Find that Approval of Each Agreement is Not a Project Subject to CEQA and Exempt under CEQA Guidelines §§15061(b)(3), 15262, and 15306

(09:40 a.m. - Video Time Stamp: 00:39:28)

This item was split into 3 separate presentations, comments, and votes.

Ryan Tracey, Director of Planning and Analytics, introduced the GeoZone Cooperation Agreements and the companies that SCP hoped to do business with including Chevron New Energies (Chevron), Cyrq Energy Inc. (Cyrq) and Eavor Inc. (Eavor) Director Tracey then introduced Srimento Ghosh and Tanmay Chaturvedi of Chevron New Energies. Mr. Ghosh explained that the cooperation agreement with Chevron would include a \$10 billion investment in new technologies and explained that there had been a lot of progress across the globe in geothermal technologies. He explained that Chevron would be working closely with Eavor Inc. in the form of pilot programs. Mr. Chaturvedi added that when it comes to geothermal technologies some are more mature than others and the first step would be to assess the available properties.

Director Farrar-Rivas asked what the overall energy target was and Director Tracey explained that each agreement contemplates eventually reaching 200MW and CEO Syphers clarified that the expectation was to get 500-600MW of new capacity in of the GeoZone. Director Rogers asked how Chevron could reassure the Board that this project would be zero carbon. CEO Syphers clarified that some carbon would be released during the construction, and possibly some small amounts during operation, but like other geothermal power it would be far below the emissions of natural gas power.

Director Barnacle expressed concern as Chevron had done \$17 Billion in exploratory drilling this year and he questioned whether it would be better to do business with a company that shares SCP's values. CEO Syphers answered that this issue has been raised since the beginning of the contracting period and further stated that Chevron

is aware that they are not to use the GeoZone project to offset carbon for other Chevron projects. Director Tracey explained that the reason Chevron was a finalist was because it has a lot of expertise in the industry and a sophisticated team that can solve complex problems. Director Elward stated she shared the same concerns as Director Barnacle and explained that she was born in a nation that had seen the destruction that Chevron can cause.

Vice Chair Hopkins asked what conversations had been had about workforce make up and had there been discussions of meeting prevailing wage. CEO Syphers answered that each company had signed on for strong local hire protections, prevailing wage and he explained that this would be a conversation SCP would be having again before the pilot projects scale up. Director Bagby stated she did believe that Chevron had the technical skills required for these contracts but asked Mr. Ghosh to share the SCP Board's concerns with Chevron's executives.

Public Comment: Woody Hastings of the Climate Center asked for staff's full disclosure of connections with Chevron and Director Tracey explained his background in the oil and gas industry as a reservoir engineer for Chevron for 8 years and the reasons for wanting to leave that industry to work on clean power solutions.

Motion to Approve the Delegated Authority to the CEO or his Designee to Execute Geothermal Opportunity Zone (GeoZone) Cooperation Agreement with Chevron New Energies by Director Bagby

Second: Chair Fudge

AYES: Bagby, Ford, Rogers, Strong, Fudge, Gjerde, Hopkins

NOES: Barnacle, Elward, Zollman, Farrar-Rivas

Director Tracey introduced Matt Rosenfeld of Cyrq Energy Inc. Mr. Rosenfeld explained that Cyrq's technology is thermal storage and Cyrq is trying to implement new technology. He discussed energy storage technology and gave an overview of the thermal energy storage system.

Director Farrar-Rivas asked if Cyrq's portfolio primarily focused on alternative energy and Mr. Rosenfeld explained that Cyrq is owned by Macquarie which is an infrastructure company and Cyrq is a member of their green fund.

Public Comment: None

Motion to Approve the Delegated Authority to the CEO or his Designee to Execute Geothermal Opportunity Zone (GeoZone) Cooperation Agreement with Cyrq Energy Inc., by Director Rogers

Second: Director Bagby

AYES: Bagby, Ford, Barnacle, Elward, Rogers, Zollman, Farrar-Rivas, Strong, Fudge, Gjerde, Hopkins

Director Tracey introduced Neil Ethier of Eavor. Mr. Ethier discussed the importance of geothermal energy. He stated that it is reliable and cost certain. He further explained that geothermal creates high paying domestic jobs, hardens the electrical grid, makes the grid resilient, it is the lowest GHG power source when all aspects of production are considered, the taxes go to local jurisdictions, and further moves SCP to energy autonomy. He explained that Eavor uses a closed loop scalable geothermal system that incorporates efficient land and water usage.

Chair Fudge asked how long the closed loop system lasts and Mr. Ethier stated that it is designed to last for 30 years with a .2% decline annually.

Public Comment: Woody Hastings asked if the technologies would be bound to the Geyser's area and CEO Syphers answered that the Cirq proposal requires an existing geothermal power plant, but that Chevron and Eavor could work outside the existing Geysers area.

Motion to Approve the Delegated Authority to the CEO or his Designee to Execute Geothermal Opportunity Zone (GeoZone) Cooperation Agreement with Eavor Inc. by Director Rogers

Second: Director Bagby

AYES: Bagby, Ford, Barnacle, Elward, Rogers, Zollman, Farrar-Rivas, Strong, Fudge, Gjerde, Hopkins