Our Mission

Reduce costs and environmental impacts of energy use for customers throughout Sonoma County.

Members of SCP’s 2013-14 Board of Directors celebrate with CEO Geof Syphers at SCP’s Thank You Celebration - a small gathering to commemorate the official start of service to our first phase of customers, and to thank the individuals who’ve lent their time, talent and expertise to make the formation of Sonoma Clean Power a reality. (L to R) Bruce Okrepkie, Geof Syphers, Mark Landman, Michael Kyes and Supervisor Efren Carrillo.
Welcome to Sonoma Clean Power

Sonoma Clean Power (SCP) started providing service to 22,000 customer accounts in May 2014. This first group included most of the businesses in Cotati, Santa Rosa, Sebastopol, Sonoma, Windsor and the unincorporated areas of the county. The residential customers in those areas started receiving service in December 2014, adding 130,000 accounts.

By the end of 2014, Cloverdale, Petaluma and Rohnert Park had voted to authorize service to their citizens, meaning that all eligible areas of Sonoma County are now a part of Sonoma Clean Power’s service territory. Electric customers in these three cities started to receive service from SCP in June 2015.

Thanks All Around

We have many organizations and supporters to thank for helping the successful launch of SCP. Thanks to the Sonoma County Water Agency for incubating and implementing Sonoma Clean Power! Thanks to the County of Sonoma for their early support and for providing an initial $2.5 million loan guaranty. Many thanks to the Center for Climate Protection for helping us with advocacy and outreach. And thank you to First Community Bank of Santa Rosa for providing $10 million in lines of credit.
Report from the CEO

Sonoma Clean Power’s (SCP’s) strong launch in 2014 has triggered a massive response around California, with dozens of communities exploring community choice and at least four new programs likely to launch by the end of 2016.

Strong Results
Early results from the eight months SCP served customers in 2014 are impressive:
- 89% of eligible customers are receiving electricity from Sonoma Clean Power
- 48% reduction in greenhouse gas emissions relative to PG&E’s last reported data from 2013
- $13.6 million in direct savings on electric bills for customers

Incentivizing Local Production
Our NetGreen program was thoughtfully designed to ensure that for the first time ever, customers who generate solar or wind energy get paid retail rates if they make more electricity than they use.

A Leader in Reducing Emissions
In 2014, SCP chose to emphasize greenhouse gas emissions reductions, leading us to buy more hydropower and explore customer services to reduce energy use. Additionally, we opted to ignore the benefits of voluntary unbundled renewable energy credits (RECs) in order to more strongly promote the construction of new renewable energy here in Sonoma County.

Innovative Programs
What I’m most excited about is that for about a 12% premium over the cost of PG&E, customers can choose to power their home or business with 100% renewable energy made in Sonoma County. EverGreen is made with local geothermal power from the Geysers and is the first service of its kind in California. Because demand for EverGreen is growing, we plan to expand the program to include solar and we have contracted to build 13.5 MW of new solar inside Sonoma County.

What’s Next
With a successful first year completed, many are wondering what’s next for SCP. Over the next few years, we will work on identifying solutions to store renewable energy and promote widespread adoption of electric vehicles in Sonoma County; two essential steps toward achieving a zero carbon future.

I’m proud of what our communities have achieved through Sonoma Clean Power. Our success is the result of our amazing staff who dedicated themselves to proving the naysayers wrong. Our success is also due to our Board of Directors and the volunteers on our Business Operations and Ratepayer Advisory Committees, and to our customers who have overwhelmingly supported our vision of offering choice, cleaner sources of electricity and competitive prices.

Thank you to all who’ve joined us on our journey to build a clean energy future for Sonoma County.
Report from the Board Chair

The publication of this annual report marks an important milestone in Sonoma Clean Power’s (SCP’s) history.

A Successful Journey

Beginning as an unconventional idea, we’ve arrived at a successful and proven model; one that enjoys the participation of nearly every city in Sonoma County. Along the way we’ve surpassed our established goals for renewable energy, greenhouse gas emissions and rate savings. We’ve delivered on our goals for lower rates, while exceeding California’s 2020 renewable energy mandate five years early.

SCP’s unconventional idea is now a well-known and popular one, with strong customer satisfaction. The participation rate is 89%, and our solar customers are seeing the benefits from our NetGreen program; receiving their first checks from us for overproduction.

Leading the Way

Our successful program has helped Sonoma County continue its leadership in solar power. Our county leads the nation in per capita solar energy production, and Sonoma Clean Power is working with our local industry to support the next generation of local renewable energy.

The Electric Power Generation Mix contained in this annual report confirms that SCP delivered a significantly cleaner mix of electricity than the competition. The financial reserves, rates and our mix of renewable sources make a strong, reliable program that can achieve even bigger goals in the future.

Poised to Make a Difference

As we seek to address the climate crisis, SCP is uniquely poised to make a substantial difference, by playing an increasing role in addressing transportation emissions by supporting electric vehicles charged with clean electric energy, as well as taking a leadership role in the important shift away from using natural gas for heating and water heating.

Speaking for all of my colleagues on the Sonoma Clean Power Board of Directors, I thank you for creating this important program and for welcoming our service into your home and business. We look forward to continuing to work together, with all of you, to create a stronger and healthier future for Sonoma County.

2015 Sonoma Clean Power Board of Directors

- **Director Mark Landman, Chair**
  Councilmember, City of Cotati

- **Director Patrick Slayter, Vice Chair**
  Mayor, City of Sebastopol

- **Director Susan Gorin, Past Chair**
  Supervisor, County of Sonoma

- **Director David Cook**
  Mayor, City of Sonoma

- **Director Bob Cox**
  Mayor, City of Cloverdale

- **Director Dave King**
  Councilmember, City of Petaluma

- **Director Bruce Okrepkie**
  Mayor, Town of Windsor

- **Director Don Schwartz**
  Assistant City Manager
  City of Rohnert Park

- **Director Gary Wysocky**
  Councilmember, City of Santa Rosa

2015 Alternate Directors

- Supervisor Efren Carrillo
- Councilmember Julie Combs
- Councilmember John Dell’Osso

- Councilmember Deb Fudge
- Councilmember Una Glass
- Councilmember Mike Healy

- Councilmember Rachel Hundley
- Councilmember Pam Stafford
- Councilmember Gus Wolder
Electric Power Generation Mix*

<table>
<thead>
<tr>
<th>Specific Purchases</th>
<th>PG&amp;E</th>
<th>CleanStart</th>
<th>EverGreen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Biomass &amp; Biowaste</td>
<td>5%</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>• Geothermal</td>
<td>5%</td>
<td>12%</td>
<td>100%</td>
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<tr>
<td>• Eligible hydroelectric</td>
<td>1%</td>
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<td>• Solar electric</td>
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<td>Nuclear</td>
<td>21%</td>
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<tr>
<td>Other</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
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<tr>
<td>Unspecified Sources of Power</td>
<td>21%</td>
<td>20%</td>
<td>0%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*The generation data represents 2014 and is provided in the “Annual Report to the California Energy Commission: Power Source Disclosure Program,” excluding voluntary unbundled renewable energy credits. PG&E data is subject to an independent audit and verification that will not be completed until October 1, 2015.

Beyond Clean Energy

Sonoma Clean Power is fortunate to have great partners like the Sonoma County Energy Independence Program and the Bay Area Regional Energy Network who offer financing and incentives to support energy efficiency and renewable energy at homes and businesses across Sonoma County. In addition to these programs and those we currently offer, we are working to provide our customers with even more opportunities to save money and protect the environment:

- **Support Existing Solar and Wind Customers:** The NetGreen program has been supporting our customers who have solar or wind since we launched service to customers. A modified payment structure allows us to pay retail rates for electricity generated. Customers received $207,000 for local renewable energy generation in 2015!

- **Increase Local Renewable Energy:** Between SCP’s feed-in tariff (called ProFIT), and the floating solar arrays that will be constructed on Sonoma County Water Agency treated wastewater ponds, SCP has contracted for 13.5 megawatts of new local solar, doubling the amount of in-county solar.

- **Improve Building Energy Efficiency:** Energize, SCP’s web-based tool that teaches customers about their consumption habits and pays customers to reduce energy use upon request, will be available in 2016.

- **Reduce Greenhouse Gas Emissions:** Looking forward, SCP will continue to reduce the climate impacts of our electricity mix, but there are opportunities outside of electricity that can have an even larger impact. Electric vehicles in particular have the potential to dramatically decrease greenhouse gas emissions in the transportation sector while supporting SCP’s long-term financial stability. Expect to see an emphasis on, and progress toward, the electrification of personal vehicles in 2016.
Report from the Past Chair

It was an honor to serve as Sonoma Clean Power’s (SCP’s) Board Chair in the agency’s inaugural year. In the time leading up to the start of service in May 2014, I saw the CEO and staff work tirelessly to educate and inform the public about their new choice in electricity providers, to develop two outstanding choices in the default CleanStart service and the 100% renewable EverGreen service, and to negotiate stellar contracts that enabled Sonoma County residents to power their homes and businesses with cleaner electricity, while saving an average of 8% in 2014, with low income customers saving an average of 11%.

As gratifying as it was to see the agency deliver on its twin goals of providing both environmental and economic benefits, it was also gratifying to see so many customers receive checks – many of them for the first time – through SCP’s NetGreen program. Of the $207,000 SCP paid to customers who produced more energy than they consumed in 2014, one third was paid to local schools.

Serving as the Chair of the Board for the Sonoma County Water Agency in 2015, it was exciting to see the partnership between the Water Agency and SCP on the development of a contract for SCP to purchase up to 12.5 megawatts of power from a floating solar project, to be built on treated wastewater ponds.

This project is groundbreaking in several ways. Not only is it the largest floating solar project in the United States, its placement on storage ponds minimizes evaporation while protecting Sonoma County farmland, reducing our dependence on fossil fuel, creating local jobs...all while further reducing emissions for Sonoma Clean Power’s customers.

The agency’s first year of service to customers exemplified SCP’s vision for Sonoma County to become the epicenter of effective environmental business solutions. I look forward to seeing the positive impact that SCP will have on our environment, as well as our local economy, for many years to come.
SCP is pleased to be the lead sponsor of the “SWITCH Vehicle Kits for Classrooms” program; a key partnership with the Sonoma County Office of Education, SWITCH Vehicles and the Career Technical Education Foundation, which seeks to roll out up to 10 electric vehicle (EV) kits over the next two school years. The kits will be built out in local middle and high school classrooms such as Project Make, Automotive, Construction, and/or Engineering and Design classes.
Community Choice is Spreading

Following the successful launch of Marin Clean Energy, Sonoma Clean Power and Lancaster Choice Energy, interest in community choice is spreading throughout California, including our neighbors Mendocino and Lake Counties, throughout the Bay Area including San Francisco, San Mateo County, Silicon Valley, and in the southern region of the state including Ventura and Santa Barbara counties.

**Operational CCAs**
- Sonoma Clean Power
- MCE Clean Energy
- Lancaster Choice Energy

**Exploring / in Process**
- Alameda County
- Butte County
- City of Arcata/Humboldt County
- City of Davis/Yolo County
- City/County of San Francisco
- City of Sunnyvale/Silicon Valley Partnership
- Contra Costa County
- LA County/South Bay Consortium
- Lake County
- Mendocino County
- Monterey Bay Community Power (Tri-County)
- Napa County Cities
- San Bernardino County
- San Diego County
- San Luis Obispo/Morro Bay
- San Mateo County
- Santa Barbara County
- Solano County
- Ventura County

Graphic courtesy of LEAN Energy US
Governance

Featured below is the 2014 SCP Board of Directors:

**Director**
Susan Gorin, Chair
County of Sonoma

**Director**
Mark Landman
Vice Chair
City of Cotati

**Director**
Steve Barbose
City of Sonoma

**Director**
Julie Combs
City of Santa Rosa

**Director**
Bob Cox
City of Cloverdale

**Director**
Bruce Okrepkie
Town of Windsor

**Director**
Patrick Slayter
City of Sebastopol

2014 Alternate Directors
Efren Carrillo, County of Sonoma
David Cook, City of Sonoma
John Dell’Osso, City of Cotati
Una Glass, City of Sebastopol
Michael Maacks, City of Cloverdale
Sam Salmon, Town of Windsor
Gary Wysocky, City of Santa Rosa

In Memorial to Michael Kyes and Jake Ours

The contributions of former Directors Michael Kyes and Jake Ours to Sonoma Clean Power were significant. We miss their knowledge, experience and advocacy for renewable energy and we are grateful for their service on our Board of Directors.
Advisory Committees

SCP had two committees in 2014, providing support to staff and the Board of Directors. The Ratepayer Advisory Committee (RAC) reviews budgets and rates and provides recommendations on those topics to staff and directly to the Board. The Business Operations Committee (BOC) provides a forum for the public to learn about staff proposals before they are presented to the Board, and the committee provides feedback and recommendations on larger contracts and programs. Both committees have members from our local community who volunteer their time.

2014 Ratepayer Advisory Committee Members
Dick Dowd, Chair
Susan Amato
June Brashares
Art Diecke
Tim Holmes
John Parry
Chris Romo
Margaret Spaulding
Bob Williamson

2014 Business Operations Committee Members
Susan Briski, Chair
Paul Brophy
Harry Davitian
Mike Gogna
Bill Mattinson

Past SCP Board Members
Steve Barbose, City of Sonoma
Efren Carrillo, County of Sonoma
Michael Kyes, City of Sebastopol
Jake Ours, City of Santa Rosa
Robin Swinth, City of Santa Rosa
Shirlee Zane, County of Sonoma

SCP Steering Committee

The CCA Steering Committee that tackled the issue of forming Sonoma Clean Power initially met on March 28, 2011 and met regularly until May 2013. The committee, which was led by Cordel Stillman, Deputy Chief Engineer for the Sonoma County Water Agency and Steve Shupe, County Counsel for the County of Sonoma, reviewed the initial feasibility study, worked out SCP’s business goals and finances, board structure, starting policies, voting structure, heard reports back from public presentations, and many other issues relating to a startup CCA. The Steering Committee consisted of representatives from the Sonoma County Water Agency, public stakeholder groups, environmental groups, local labor, the County of Sonoma, and all interested cities (including technical staff, directors, general managers, city attorneys, and elected officials). Without the commitment of the Steering Committee, Sonoma Clean Power would not have been formed.

SCP Officials, Staff and EverGreen customers donned hardhats during a tour of Calpine’s Geothermal Facility, to learn more about the sole source of SCP’s 100% renewable EverGreen power.
## Sonoma Clean Power
### 2014 Greenhouse Gas Emissions

<table>
<thead>
<tr>
<th>Sources</th>
<th>Volume (MWh)</th>
<th>Emissions Factor (lbs/MWh)</th>
<th>Emissions (MT CO$_2$e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RPS Eligible Renewables</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biomass &amp; Biowaste</td>
<td>19,069</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Geothermal</td>
<td>67,620</td>
<td>51</td>
<td>1,564</td>
</tr>
<tr>
<td>Eligible hydroelectric</td>
<td>0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Solar electric</td>
<td>0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Wind</td>
<td>102,076</td>
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<tr>
<td>Coal</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Large hydroelectric</td>
<td>258,312</td>
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</tr>
<tr>
<td>Natural Gas</td>
<td>0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nuclear</td>
<td>0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unspecified Power</td>
<td>134,217</td>
<td>944</td>
<td>57,446</td>
</tr>
</tbody>
</table>

*SCP chooses to report unbundled renewable energy credits as Unspecified Power for greenhouse gas purposes.*

<table>
<thead>
<tr>
<th></th>
<th>CleanStart</th>
<th>EverGreen</th>
<th>PG&amp;E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emissions Factor (lbs/MWh)</td>
<td>224</td>
<td>51</td>
<td>427*</td>
</tr>
<tr>
<td>Total Emissions (MT CO$_2$e)</td>
<td>58,998</td>
<td>11</td>
<td></td>
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</tbody>
</table>

*PG&E’s most recently published emissions factor is from 2013.*
### Financial Summary

Sonoma Clean Power ended the fiscal year by completing the rollout of service to every eligible customer in Sonoma County. Initially, SCP launched with five cities and the County, but added the three remaining cities of Cloverdale, Rohnert Park and Petaluma over the past year. The City of Healdsburg has its own municipal utility, and is not a part of SCP.

SCP is now contracting with at least seven providers to obtain electric energy and capacity, and that diversity is helping ensure competitive pricing. As the agency builds reserves, it is beginning to provide collateral in the form of cash. Over time, that practice is expected to continue to expand in order to achieve more standard purchasing and payment terms and lower commodity pricing. Additionally, SCP has paid off all bank loans; four years earlier than anticipated.

As the operations of providing clean power supply becomes more routine, SCP has begun to research other actions which can further reduce greenhouse gas emissions and ensure competitive rates. The most significant areas identified include electric vehicles, customer load management and the possible expansion of service to other territories. Early program activity has begun in local schools with an electric vehicle training program, the development of a demand response platform, and in supporting local solar customers with SCP’s net energy metering program called NetGreen.

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### Financial Position: Fiscal Years 2013 -2015

<table>
<thead>
<tr>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$12,715,565</td>
<td>Accrued cost of electricity</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>$12,178,959</td>
<td>Deferred liquidated damages</td>
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<tr>
<td>Accrued revenue</td>
<td>$8,240,561</td>
<td>Debt from financing</td>
</tr>
<tr>
<td>Other assets</td>
<td>$1,202,596</td>
<td>Other liabilities</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$34,337,681</strong></td>
<td>Net position</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; net position</strong></td>
<td><strong>$34,337,681</strong></td>
<td><strong>Total Revenues</strong></td>
</tr>
</tbody>
</table>

![Bar chart showing financial position for fiscal years 2013-2015](chart.png)
2014 Achievements

- All eligible Sonoma County cities voted to join SCP
- $13,575,035 million in customer savings
- Energy sold to customers: 581,294,000 kWh
- Saved an estimated 53,579 metric tons of carbon dioxide
- 89% customer participation
- NetGreen program payments to solar customers of $207,000; one-third of which went to public schools
- At 36% renewable, SCP is already exceeding the 2020 mandate for all California utilities to be at least 33% renewable.
- 1,000 + EverGreen customers
- Contracted to build 83.5 MW of new California solar, doubling the amount of solar serving Sonoma County
Embraced by the Business Community

SCP is honored to have been embraced by the business community, including these Sonoma County businesses:

An Appetite for Green
Real Choice and Renewable Energy

Oliver’s Markets understands that living local makes a difference to Sonoma County, which is why they stock over 5,000 products from local growers and manufacturers. It’s also why they choose Sonoma Clean Power.

“We believe in environmentally sound business practices and making a positive impact on the environment. Sonoma Clean Power is helping us get there.”

Steve Maass | Owner, Oliver’s Markets

Local Green Tea
Made from 100% Renewable Electricity

Traditional Medicinals generates about half of their electricity from their own solar array. By choosing EverGreen from Sonoma Clean Power, they have met their goal of using 100% renewable energy at their Sebastopol headquarters.

“SCP provides us an opportunity to do something good for our company and the community.”

Blair Kellison | CEO, Traditional Medicinals