



**AGENDA  
BOARD OF DIRECTORS MEETING  
THURSDAY, FEBRUARY 6, 2020  
8:45 A.M.**

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

**I. CALL TO ORDER**

**II. BOARD OF DIRECTORS CONSENT CALENDAR**

1. Approve January 9, 2020 SCPA Board of Directors meeting minutes (Action) - pg. 3
2. Approve and Authorize the CEO to Execute a Furniture Procurement and Installation Purchase Order for the Advanced Energy Center (Action) - pg. 7
3. Adopt a New Agricultural Rate Structure and Rates for the Remainder of the 2019/2020 Fiscal Year (Action) - pg. 17

**III. BOARD OF DIRECTORS REGULAR CALENDAR**

4. Appointment of Chair and Vice Chair of the Board for One-Year Terms (Action) - pg. 25
5. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Discussion) - pg. 27
6. Receive Legislative and Regulatory Updates and Provide Direction as Appropriate (Discussion/Action) - pg. 39
7. Receive Report on Programs Strategic Action Plan (Discussion) - pg. 73
8. Approve Budget Adjustment for Fiscal Year 2019/2020 and Change in Customer Rates as of March 1, 2020 (Action) - pg. 103
9. Adopt Policy Governing Preferred Resources for Serving Multiple SCP Customers in During Public Safety Power Shutoffs (Action) - pg. 129

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

Comments are restricted to matters within the Board jurisdiction. Please be brief and limit comments to three minutes.

**V. BOARD 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.*

## COMMONLY USED ACRONYMS AND TERMS

<b>AER</b>	Advanced Energy Rebuild (A program that helps homeowners affected by the October 2017 firestorms rebuild energy efficient, sustainable homes).
<b>CAC</b>	Community Advisory Committee
<b>CAISO</b>	California Independent Systems Operator
<b>CAM</b>	Cost Allocation Mechanism
<b>CCA</b>	Community Choice Aggregation
<b>CEC</b>	California Energy Commission
<b>CleanStart</b>	SCP's default service
<b>CPUC</b>	California Public Utility Commission
<b>DER</b>	Distributed Energy Resource
<b>ERRA</b>	Energy Resource Recovery Account
<b>EverGreen</b>	SCP's 100% renewable, 100% local energy service
<b>Geothermal</b>	A locally-available, low-carbon baseload renewable resource
<b>GHG</b>	Greenhouse gas
<b>GRC</b>	General Rate Case
<b>IOU</b>	Investor Owned Utility (e.g., PG&E)
<b>IRP</b>	Integrated Resource Plan
<b>JPA</b>	Joint Powers Authority
<b>LSE</b>	Load Serving Entity
<b>MW</b>	Megawatt (Power = how fast energy is being used at one moment)
<b>MWh</b>	Megawatt-hour (Energy = how much energy is used over time)
<b>NEM</b>	Net Energy Metering
<b>NetGreen</b>	SCP's net energy metering program
<b>PCIA</b>	Power Charge Indifference Adjustment ( <i>This fee is intended to ensure that customers who switch to SCP pay for certain costs related to energy commitments made by PG&amp;E prior to their switch.</i> )
<b>ProFIT</b>	SCP's "Feed in Tariff" program for larger local renewable energy producers
<b>PSPS</b>	Public Safety Power Shutoff - a term used when it may be necessary for PG&E to turn off electricity for public safety when gusty winds and dry conditions, combined with a heightened fire risk, are forecasted
<b>PV</b>	Photovoltaics for making electric energy from sunlight
<b>RA</b>	Resource Adequacy - a required form of capacity for compliance
<b>REC</b>	Renewable Energy Credit - process used to track renewable energy for compliance in California.
<b>SCP</b>	Sonoma Clean Power
<b>TOU</b>	Time of Use, used to refer to rates that differ by time of day and by season



**DRAFT MEETING MINUTES  
BOARD OF DIRECTORS MEETING  
THURSDAY, JANUARY 9, 2020  
8:45 A.M.**

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

**I. CALL TO ORDER**

Chair Landman called the meeting to order at 8:45 a.m.

Board Members present: Chair Landman, Vice Chair Slayter, and Directors Bagby, Gjerde, Hopkins, King, Torrez, and Okrepkie.

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; and Jessica Mullan, General Counsel.

**II. BOARD OF DIRECTORS CONSENT CALENDAR**

1. Approve December 5, 2019 minutes of the SCPA Board of Directors meeting
2. Approve and Authorize the CEO to Execute an Amendment to the Professional Services Agreement with EHDD for Architectural Services

Public comment: none

January 9, 2020 SCPA Board of Directors Consent Calendar adopted by unanimous consent.

**III. BOARD OF DIRECTORS REGULAR CALENDAR**

3. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate

Chief Operating Officer Michael Koszalka introduced the item, provided a marketing update, and gave an overview of the monthly financial reports. Chief Executive Officer Geof Syphers announced that SCP's General Counsel, Jessica Mullan, took a position with the City of Santa Rosa, and that SCP has entered into agreements with outside counsel to ensure legal support during the interim period following her departure. CEO Syphers then stated that the Chair of the Community Advisory Committee, Dick Dowd, was recently appointed by the City of Santa Rosa to a vacant seat on their City Council; he also advised the Board that Counsel had determined that there are no conflicts with Chair Dowd continuing to serve on the Community Advisory Committee. Finally, CEO Syphers presented Chair Landman with a plaque thanking him for his service as Chair over the last year.

Public comment:

Deborah Tavares spoke formatting issues with printed meeting materials and about impacts to SCP from the Santa Rosa Wastewater Treatment Facility due to power-related closures.

Dick Dowd spoke in response to the previous speaker about any potential impacts to the Santa Rosa Wastewater Treatment Facility from the Kincade Fire.

4. Receive Legislative and Regulatory Updates and Provide Direction as Appropriate

Director of Regulatory Affairs Neal Reardon updated the Board on the Energy Resource Recovery Account and the Power Charge Indifference Adjustment fee, which will not likely increase on March 1<sup>st</sup> as previously thought. He then gave an update on the CPUC's Self-Generation Incentive Program, including program eligibility, incentive levels, and the application process.

CEO Syphers gave a legislative update on the following laws that became effective as of January 1<sup>st</sup>: allowing low-income residents to access the HOV lane if they buy an eligible used electric vehicle, and Title 24 Building Codes mandating rooftop solar for certain types of new construction. CEO Syphers then highlighted Senate Bill 378 by Wiener, which would, among other things, require the two largest investor-owned utilities to file an annual public report on age, useful life, fire risk, recent inspections, investments, and maintenance records for all equipment; expand the Code of Conduct to include prohibitions against using ratepayer monies to advocate against CCA activities; create a process to reimburse local governments for any expenses incurred as a result of PSPS events; require that any profit made during a shutoff to be returned to ratepayers; require sharing of information with local governments regarding a planned shutoff "as early as possible"; and set a minimum shareholder shutoff penalty of \$10 per hour per customer. CEO Syphers then described a bill by Senator McGuire that was put into print and would require that cell phone towers have a minimum of 72-hours of battery backup.

Public comment: Deborah Tavares spoke about privacy concerns and requested additional information about how to access Senate Bill 378.

5. Approve the NetGreen 2.0 Program and the Transition of Existing NetGreen Customers to NetGreen 2.0

Director of Customer Service Erica Torgerson introduced the item by noting this was the fourth public meeting on this topic and the Community Advisory Committee unanimously recommended Board approval. She then outlined the function of the NetGreen program and the requested actions in the staff

report for this item, which include the adoption of the NetGreen 2.0 program and the transition of existing NetGreen customers to the new program. Director Torgerson detailed how the cash-out process and timeline will remain the same for NetGreen participants, and even though the incentive for over-production will be reduced, it will still payout at twice the level of PG&E's program.

Public comment:

Bill Mattinson, Vice Chair of the Community Advisory Committee, spoke about the Committee's deliberations prior to making a recommendation to the Board.

Deborah Tavares commented on the safety of battery storage devices and alternative options that could be safer.

Motion to approve the NetGreen 2.0 Program and the transition of existing NetGreen customer to NetGreen 2.0 by Director King.

Second: Director Bagby

Motion passed: 8-0-0

#### 6. Receive Annual Report

Director of Marketing & Public Relations Kate Kelly introduced the item by noting that this is the first year that SCP is presenting the Annual Report in a digital video format.

Chair Landman and Director Bagby offered staff feedback on the printed materials that accompanied the digital video presentation, with suggestions that future iterations include savings to customers, greenhouse gas reductions, and a map of SCP's service territory. Director Hopkins asked how staff intends to distribute the report; Director Kelly stated that it will be shared through newsletters, emails to interested parties, and social media, among other platforms. Vice Chair Slayter thanked staff for moving towards a zero-waste format.

Public comment:

Woody Hastings thanked staff for moving towards a digital version and the value of SCP's promotional materials in highlighting the unique & innovative nature of SCP's programs.

Deborah Tavares spoke about Integrated Resource Planning and continued use of fossil fuel plants.

#### **IV. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA**

Jane Elias, Energy and Sustainability Manager with the County of Sonoma, spoke about financing through the Energy Independence Program and the

expansion of the program to offer seismic strengthening and wildfire safety improvements.

Deborah Tavares voiced her concern about the financing mentioned by the previous speaker.

## **V. BOARD MEMBER ANNOUNCEMENTS**

Director King announced the following: that the City of Petaluma's City Council recently had a discussion about adopting EverGreen, and due to the overall cost, the City will not switch to EverGreen during their next budget cycle; that he was re-appointed to the SCP Board of Directors for 2020; an upcoming large-scale City solar project; and finally, he detailed how a majority of the Petaluma City Council wrote a letter of support for San Jose's Mayor Sam Liccardo's letter regarding municipalization of PG&E.

## **VI. CLOSED SESSION**

Item tabled.

## **VII. ADJOURN**

Chair Landman adjourned the meeting at 10:18 a.m.



## Staff Report - Item 02

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**To:** Sonoma Clean Power Authority Board of Directors  
**From:** Chad Asay, Programs Manager  
**Issue:** Approve and Authorize the CEO to execute a furniture procurement and installation purchase order for the Advanced Energy Center  
**Date:** February 6, 2020

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### Recommendation

Approve and Authorize the CEO to execute a furniture procurement and installation purchase order to Resource Design Interiors with a not-to-exceed amount of \$148,570.39 for the Advanced Energy Center renovation project.

### Background

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

SCP was awarded the California Energy Commission's EPIC Grant 17-304 to, among other things, establish the Advanced Energy Center (Center) in order to speed deployment of market-ready advanced energy efficiency technologies. The Center will be a physical storefront where SCPA customers may view and purchase energy-saving items from third-party vendors. Vendors will demonstrate energy-saving items at individual vendor displays in the Center. SCP contracted with TLCD Architecture to design the Center project, Sixth Dimension as the Center project's construction manager, and Agbayani Construction Corp for construction services. The Center will be located at 741 4th Street, in Santa Rosa, California.

## Discussion

The Center project involves a complete remodel of the leased, vacant space into a new marketplace and demonstration area. The estimated cost of furniture for the Center project was \$229K, to be funded by a combination of grant and SCP funds.

Staff issued a request for proposals for furniture on December 12, 2019. Proposals were due on January 3, 2020 and 3 bids were received, all from local businesses. Resource Design Interiors was determined to be the lowest responsive proposer with a price of \$148,570.39.

The selected Resource Design Interiors will both purchase and install furniture for 3 workspaces, a training and certification room, induction cooking kitchen demonstration area and other associated office furniture for a 9,400 square foot space on 4th Street in downtown Santa Rosa.

## Fiscal Impact

In FY 19/20 SCP originally budgeted \$4.2 M to CEC grant administration, labor and tenant improvements. Additionally, there are \$509K in grant funds dedicated to improvements.

TLCD Architecture's Estimated Furniture Cost	\$229,684.49
Lowest Bid	\$148,570.39
Highest Bid	\$171,859.81
Grant Funds dedicated to Center Improvements	\$509,000.00
SCP's FY 19/20 Approved Budget towards Lead Locally	\$4,200,000.00

The cost of this purchase order is within the amount budgeted for the project.

## Community Advisory Committee Review

The Committee recommends the Board approve the proposed furniture expenditure.

## Attachments

- Attachment A – SCP Standard Purchase Order Agreement



**Related Items on file with the Clerk of the Board**

- SCP Advanced Energy Center Furniture RFP
- SCP Advanced Energy Center Furniture Bid Plan
- RDI's Bid Submittal Documents and Formal Proposal

50 Santa Rosa Ave., 5<sup>th</sup> Floor  
Santa Rosa, CA 95404

## Purchase Order

*Dispatched via Email*

P.O. # \_\_\_\_\_  
Order Date: \_\_\_\_\_  
SCP Contact: \_\_\_\_\_

Payment Terms: Net 30  
Freight Terms: FOB Destination  
Liquidated Damages Applicable (Per Day): \$500

Vendor Name:		Ship To:	
Address:		(Designated Location)	
Email:			
VENDOR CONTACT:		SCP CONTACT:	
Authorized Subcontractors (if Any):			

SHIPPING SERVICE	SHIPPING METHOD	DELIVERY DATE

ANY ADDITIONAL ITEMS OUTSIDE OF FURNITURE COST SUMMARY	QUANTITY	UNIT PRICE

Subtotal	
Sales Tax	
Shipping Charge	
Order Total	

\_\_\_\_\_  
VENDOR SIGNATURE

\_\_\_\_\_  
SCP REPRESENTATIVE SIGNATURE

## SONOMA CLEAN POWER AUTHORITY PURCHASE ORDER TERMS AND CONDITIONS

1. Acceptance. By accepting this PO ("PO"), Vendor (as identified on the face of the PO) agrees to comply with Sonoma Clean Power Authority's ("SCP") terms and conditions set forth herein. Vendor shall sell and deliver the goods, materials, and services ("Goods and Services") described at the Price(s) set forth in this PO to the Designated Location set forth on the PO. Written acceptance or shipment of all or any portion of the Goods, and the performance of all or any portion of the Services, covered by this PO shall constitute unqualified acceptance of all its terms and conditions.

2. Time of Delivery. Time is of the essence in the performance and/or delivery of services and/or items procured by this PO. Vendor shall deliver all Goods and Services by the date listed to the location specified on this PO. Failure to deliver on time shall be grounds for termination of this PO and/or including liquidated damages as agreed to in the PO.

3. Acceptance and Payment Terms. Acceptance shall be made when SCP determines the goods or services conform to the Order, or when SCP notifies Seller in writing that it will accept the goods or services despite nonconformity. Unless otherwise stated in the Order, payment terms are Net thirty (30) days. Payment will be scheduled upon complete delivery and acceptance of all goods or services and receipt of an original and one copy of an invoice acceptable to SCP. Vendor's invoice must easily match the unit prices listed on PO and must include the SCP approved PO number. SCP is not exempt from California sales or use tax.

4. Title. All shipments are F.O.B. Destination to the designated locations set forth on the PO. Vendor assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all Goods under this PO. Vendor warrants that any article, material or work is free and clear of all liens and encumbrances whatsoever, and that Vendor has a good and marketable title to same, and Vendor agrees to defend and hold SCP free and harmless against any and all claimants to said article, material or work. As set forth above, title to the materials and supplies purchased hereunder shall pass to the SCP at the F.O.B. Destination at the point designated on the face hereof, subject to the right of SCP to reject upon inspection.

5. Freight Costs. Prices quoted in the PO shall include all freight costs and ownership transfers to SCP at SCP's location. Freight shall be prepaid and added to the invoice with ownership transferring to SCP when delivery is completed to SCP's location. Freight or Shipping charges (separate from handling) as well as tax, if applicable, must be shown on the invoice as a separate line item.

6. Taxes. Unless otherwise provided herein or required by law, Vendor assumes exclusive liability for, and shall pay before delinquency, all sales, use, excise and other taxes, charges or contributions of any kind now or hereafter imposed on or with respect to, or measured by the articles sold or material or work furnished hereunder on the wages, salaries or other remuneration's paid to persons employed in connection with the performance of this PO; and Vendor shall

indemnify and hold harmless SCP from any liability and expense by reason of Vendor's failure to pay such taxes or contributions.

7. Warranty and Quality Inspection. Vendor warrants that all articles, materials and work furnished shall be good quality and free from defects, shall conform to drawings and/or specifications and shall be merchantable quality and fit for the purpose for which purchased, and shall be at all times subject to SCP's inspection; but neither SCP's inspection nor failure to inspect shall relieve Vendor of any obligation hereunder. If, in SCP's opinion, any article, material or work fails to conform to specifications or is otherwise defective, Vendor shall promptly replace same at Vendor's expense. No acceptance or payment by SCP shall constitute a waiver of the foregoing, and nothing herein shall exclude or limit any warranties implied by law. The warranty period shall begin upon acceptance by SCP. As a minimum, all goods, equipment and services shall be warranted to operate satisfactorily in accordance with the requirements of these specifications, representations of the Vendor and the published specifications of the manufacturer(s) for a period of at least one (1) year. If repairs cannot be made at SCP's location, Vendor shall transport/ship the equipment to a repair facility. All repairs must be completed, and the equipment returned to SCP within seventy-two (72) hours of a call for service. If the Vendor fails to have the equipment repaired within seventy-two (72) hours, the Vendor shall provide an equal "loaner" piece of equipment until SCP's equipment is returned in operating condition.

8. Collusion and Financial Interest. The Vendor stipulates that no SCP officer or employee shall be financially interested, either directly or indirectly, in any contract, sale, purchase or lease to which SCP is a party.

9. Assignment or Subcontracting: No performance of this PO or any portion thereof may be assigned or sub-contracted by the Vendor without the express written consent of SCP, which may be withheld for any reason. Any attempt by the Vendor to assign or sub-contract any performance of this PO without the express written consent of the SCP shall be invalid and shall constitute a breach of this PO.

10. Right to Cancel/Termination. With five (5) days advance notice, SCP shall have the right to cancel this PO at any time. SCP will only pay for any Goods or Services ordered and accepted by SCP. Any payments made in advance will be returned to SCP on a prorated basis with SCP only paying for those Goods or Services actually provided.

11. Compliance with Law. Vendor warrants that it will comply with all federal, state, and local laws, ordinances, rules and regulations applicable to its performance under this PO. Vendor shall procure all permits and licenses, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. All equipment and materials shall comply with all Federal, State and local safety rules and regulations including all applicable federal and state OSHA requirements.

12. Licenses and Permits. The Vendor and all of his employees or agents shall secure and maintain in force such licenses and permits as are required by law, in connection with furnishing of materials, articles, or services herein listed. All operation & materials shall be in accordance with the law.

13. Governing Law; Venue. This PO shall be deemed to be made in the County of Sonoma, State of California and shall in all respects be construed and governed by the laws of the State of California.

14. Indemnification. Vendor agrees to accept all responsibility for loss or damage to any person or entity, including the SCP, and to indemnify, hold harmless, and release the SCP, its officers, agents, and employees, from and against any actions, claims, damages, liabilities, disabilities, or expenses, that may be asserted by any person or entity, including Vendor, that arise out of, pertain to, or relate to Vendor's performance of or obligations or omissions under the PO. Vendor agrees to provide a complete defense for any claim or action brought against the SCP based upon a claim relating to Vendor's performance or obligations or omissions under the PO. Vendor's obligations under this Section apply whether or not there is concurrent negligence on the SCP's part, but to the extent required by law, excluding liability due to the SCP's conduct, specifically SCP's sole negligence, active negligence or willful misconduct. SCP shall have the right to select its legal counsel at Vendor's expense, subject to Vendor's approval, which shall not be unreasonably withheld. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person indemnified in this section on indemnity. Vendor's obligation to indemnify SCP shall not be restricted to insurance proceeds.

15. Insurance. Vendor shall maintain Worker's Compensation insurance as required by statute and Commercial General Liability insurance adequate to protect Vendor and Vendor's obligations hereunder to protect SCP from claims due to personal injury, including death, and damage to property, which may arise from operation under this PO. The Vendor may be required to file with SCP certificates of such insurance. Failure to furnish such evidence, if required, may be considered a material default of the Vendor.

16. Entire Agreement. This PO contains the entire understanding between the parties with respect to the subject matter herein. There are no representations,

agreements or understandings (whether oral or written) between or among the parties relating to the subject matter of this Agreement which are not fully expressed herein.

17. Exhibits. If the attachments or exhibits to this PO, if any, are inconsistent with this PO, this PO shall control. In the event of any conflict between the attachments or exhibits to this PO, the Special Provisions exhibit (if attached by SCP) shall control.

18. Change Orders. SCP has the right to revoke, amend or modify this PO at any time. Any change to the PO must be completed with a written Change Order in advance. If SCP does not receive a response within (10) days of the date of SCP's written change order, or the Vendor ships or performs based on the Change Order, the Change Order will be deemed accepted by Vendor, without any price or other adjustments. Substitutions, changes and prices other than specified must be authorized in writing by SCP.

19. Additional or Inconsistent Terms. Any term or condition set forth in any acknowledgment form provided to SCP by Vendor which is in any way different from, inconsistent with, or in addition to the terms and conditions of the PO will not become a part of the PO nor be binding on SCP. If Vendor objects to any term or condition set forth in the PO, this objection must be in writing and received by SCP prior to Vendor's delivery of product(s) or services. Notwithstanding such notice, waiver or modification of any term or condition shall occur only if agreed in writing by SCP.

20. Default. If the Vendor willfully violates any of the conditions or covenants of the PO, including refusal or failure to prosecute the Work or any separable part thereof with diligence and in accordance with the schedule specified by the PO, or if the Vendor should be adjudged a bankrupt, or if Vendor should make a general assignment for the benefit of Vendor's creditors, or if a receiver should be appointed on account of Vendor's insolvency, or the Vendor or any of Vendor's subcontractors should violate any of the provisions of this PO, SCP may serve written notice upon the Vendor of SCP's intention to terminate this PO. This notice of intent to terminate shall contain the reasons for such intention to terminate this PO, and a statement to the effect that the Vendor's right to perform this PO shall cease and terminate upon the expiration of five (5) days unless such violations have ceased and arrangements satisfactory to SCP have been made for correction of said violations.

EXHIBIT A  
to PURCHASE ORDER NO. [REDACTED]

SPECIAL PROVISIONS

1. Proposers must hold a valid and current California D-34 license and registration with DIR are required for installation of Furniture. California License and DIR registration numbers must be identified in a Proposer's Bid Submittal Documents (Attachment D).
2. SCP will require the successful Vendor to conduct thorough field verification at the AEC site and to notify SCP of any conditions which affect Furniture or installation including clearance, power/ data outlets, wall mounted control devices, ADA access, etc. The successful Vendor must agree to conduct this field verification at no additional cost to SCP.
3. SCP reserves the right to assess liquidated damages at \$500 for each day of delay beyond that deadlines/milestones for Furniture procurement/purchase, delivery or installation set forth in the contract negotiated between SCP and the successful Vendor.
4. The Vendor must coordinate delivery and installation of all Furniture with SCP Programs Manager. Installation shall include spotting, leveling and any and all assembly needed at the site.
5. NO ON-SITE STORAGE IS AVAILABLE TO VENDORS. Storage of items prior to installation is the responsibility of the selected vendor. SCP may, in its sole discretion, make an exception and allow for Vendor storage; however, any such exception must be authorized by SCP in writing, in advance. Vendors should assume no on-site storage is available when making proposals.
6. Vendor must deliver all furniture directly to the Advanced Energy Center at 741 4th St, Santa Rosa, CA 95403 and no other SCP location. Delivery trucks must have their own lift gates. No SCP equipment, i.e. forklifts, etc. will be available for use by the Vendor.
7. Vendor must, in accordance with all applicable laws, dispose of all packing and packing materials or other debris and remove it from the site.
8. Vendor must remove (and transfer to SCP, as applicable) all warranties, manuals, and literature and deliver to SCPs Program Manager.
9. Payment terms are listed in SCPs Standard Contract (see Attachment A).
10. Vendors are required to bid on all furniture and requested quantity as indicated on the Furniture Cost Summary Form (Attachment D2/D3). Bids must include all equipment and administrative costs, storage and delivery charges, and installation costs. Bids not meeting the quantity requested may not be accepted or considered by SCP. Total installation cost indicated on the Furniture Cost Summary Form (Attachment D2/D3) will be used to establish the not-to-exceed amount in SCP's Standard Contract.
11. Proposals for substitutions must be equivalent, as determined in SCP's sole discretion, in regards to materials, construction, quality, fit and finish. A physical sample in any proposed substitute finishes will be required at the time of bid submission along with manufacturer's warranty. ALL proposed substitutions must be clearly indicated on the Bid Furniture Cost Summary Form- Substitutions (Attachment D3).
12. The successful Proposer will be required to submit furnish samples, fabrics and shop drawings for review and approval.
13. The Vendor must follow City of Santa Rosa parking requirements. Vendor may not block fire lanes or entrances with vehicles, except as consistent with applicable law. Vendor agrees to inform itself of applicable parking and coordinate its parking and delivery approach with SCPs Programs Manager.

[END OF EXHIBIT A]

EXHIBIT B  
to PURCHASE ORDER NO. [REDACTED]

PREVAILING WAGE REQUIREMENTS

1. General. Pursuant to California Labor Code § 1720 *et seq.*, this Project is subject to the prevailing wage requirements applicable to the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the Work, including employer payments for health and welfare, pension, vacation, apprenticeship and similar purposes.
2. Rates. These prevailing rates are on file with SCPA and are available online at <http://www.dir.ca.gov/DLSR>. Each Contractor and Subcontractor must pay no less than the specified rates to all workers employed to work on the Project. The schedule of per diem wages is based upon a working day of eight hours. The rate for holiday and overtime work must be at least time and one-half.
3. Compliance. The Agreement will be subject to compliance monitoring and enforcement by the DIR, under Labor Code § 1771.4.
4. Discrimination Prohibited. Discrimination against any prospective or present employee engaged in the Work on grounds of race, color, ancestry, national origin, ethnicity, religion, sex, sexual orientation, age, disability, or marital status is strictly prohibited. Consultant and its Subconsultants are required to comply with all applicable Laws prohibiting discrimination, including the California Fair Employment and Housing Act (Govt. Code § 12900 *et seq.*), Government Code § 11135, and Labor Code §§ 1735, 1777.5, 1777.6, and 3077.5. This requirement is in addition to those set forth in Section 15 of the Agreement.
5. Labor Code Requirements.
  - 5.1. Eight Hour Day. Pursuant to Labor Code § 1810, eight hours of labor constitute a legal day's work under this Agreement.
  - 5.2. Pursuant to Labor Code § 1813, Consultant will forfeit to SCPA as a penalty, the sum of \$25.00 for each day during which a worker employed by Consultant or any Subconsultant is required or permitted to work more than eight hours in any one calendar day or more than 40 hours per calendar week, except if such workers are paid overtime under Labor Code § 1815.
  - 5.3. Apprentices. Consultant is responsible for compliance with the requirements governing employment and payment of apprentices, as set forth in Labor Code § 1777.5, which is fully incorporated by reference.
  - 5.4. Notices. Pursuant to Labor Code § 1771.4, Consultant is required to post all job site notices prescribed by Laws.
  - 5.5. Prevailing Wages. Each worker performing Work under this Agreement that is covered under Labor Code §§ 1720 or 1720.9, including cleanup at the Project site, must be paid at a rate not less than the prevailing wage as defined in §§ 1771 and 1774 of the Labor Code. The prevailing wage rates are on file with SCPA and available online at <http://www.dir.ca.gov/dlsr>. Consultant must post a copy of the applicable prevailing rates at the Project site.
  - 5.6. Penalties. Pursuant to Labor Code § 1775, Consultant and any Subconsultant will forfeit to SCPA as a penalty up to \$200.00 for each calendar day, or portion a day, for each worker paid less than the applicable prevailing wage rate. Consultant must also pay each worker the difference between the applicable prevailing wage rate and the amount actually paid to that worker.
  - 5.7. Federal Requirements. If this Project is subject to federal prevailing wage requirements in addition to California prevailing wage requirements, Consultant and its Subconsultants are required to pay the higher of the currently applicable state or federal prevailing wage rates.
  - 5.8. Payroll Records. Consultant must comply with the provisions of Labor Code §§ 1776 and 1812 and all implementing regulations, which are fully incorporated by this reference, including

requirements for electronic submission of payroll records to the DIR.

- 5.9. Consultant and Subconsultant Obligations. Consultant and each Subconsultant must keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed in connection with the Services. Each payroll record must contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:
- 5.9.1. The information contained in the payroll record is true and correct; and
- 5.9.2. Consultant or the Subconsultant has complied with the requirements of Labor Code §§ 1771, 1811, and 1815 for any Services performed by its employees on the Project.
- 5.10. Certified Record. A certified copy of an employee's payroll record must be made available for inspection or furnished to the employee or his or her authorized representative on request, to SCPA, to the Division of Labor Standards Enforcement, to the Division of Apprenticeship Standards of the DIR, and as further required by the Labor Code.
- 5.11. Enforcement. Upon notice of noncompliance with Labor Code § 1776, Consultant or Subconsultant has ten (10) days in which to comply with the requirements of this section. If Consultant or Subconsultant fails to do so within the ten (10) day period, Consultant or Subconsultant will forfeit a penalty of \$100.00 per day, or portion a day, for each worker for whom compliance is required, until strict compliance is achieved. Upon request by the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement, these penalties will be withheld from payments then due to Consultant.

[END OF EXHIBIT B]



EXHIBIT C  
to PURCHASE ORDER NO. [REDACTED]

CEC GRANT TERMS AND CONDITIONS

Vendor understands and acknowledges that this Project is partially funded by a grant from the California Energy Commission ("CEC"). As such, it is required that Vendor and its subcontractors (if any) must comply with all requirements set forth in the EXHIBIT C - ELECTRIC PROGRAM INVESTMENT CHARGE (EPIC) STANDARD GRANT TERMS AND CONDITIONS, modified 11/16/17 (EPC-17-01 Sonoma Clean Power Authority) (the "CEC Grant Terms and Conditions") (the "CEC Terms"), including requirements such as prevailing wage. Because SCP must comply with the CEC Terms as a condition of receipt of grant funding, Vendor acknowledges that SCP cannot modify the CEC Terms.

All flow-down provisions and other requirements for SCP contractors, consultants and subcontractors set forth in the CEC Terms apply to Vendor and its subcontractors (if any).

CEC Grant Terms and Conditions available at:

<https://sonomacleanpower.org/uploads/documents/EPIC-Grant-17-041-Exh-C-TsCs.pdf>

[END OF EXHIBIT C]





## **Staff Report - Item 03**

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**To:** Sonoma Clean Power Authority Board of Directors

**From:** Erica Torgerson, Director of Customer Service

**Issue:** Adopt a New Agricultural Rate Structure and Rates for the Remainder of the 2019/2020 Fiscal Year

**Date:** February 6, 2020

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### **Requested Action:**

Recommend the Board adopt a new agricultural rate structure and corresponding rates. The rates will be set based on the approval or denial of a rate change outlined in Item 8 of this Committee packet.

### **Background:**



In 2016, Pacific Gas & Electric (PG&E) filed an application with the California Public Utilities Commission (CPUC) to "Revise its Electric Marginal Costs, Revenue Allocation and Rate Design" (A. 16-06-013). One of the changes proposed was to shift agricultural peak rates to later in the afternoon and early evening and a second was to shorten the summer season from six months to four months.

The reasons for the shift in peak period are so retail rates better approximate the changes in wholesale costs throughout the day. This will make customer investments in batteries, targeted evening-time efficiency measures, and demand response programs more effective. Without these changes, climate and rate goals would be harmed because incentives would remain tilted toward net production of mid-day solar rather than evening release of stored energy and other measures to offset high-cost and high-emission energy.

This shift to a later peak period for agricultural rates closely mirrors changes recently approved by SCP's Board of Directors with the Time-of-Use (TOU) transition of

residential, and commercial & industrial customers to TOU rates with a late afternoon, early evening peak period. See Figure 1 for a summary of the Time-of-Use changes happening.

Figure 1.

Comparison	Bill Protection Offered?	Majority already on TOU?	Transition is Mandatory?	Regional Roll Out?	Dedicated Opt-In Period?
<b><i>Residential</i></b> Transition 	✓			✓	
<b><i>Non-Residential</i></b> Transition 		✓	✓		✓

### PG&E Implementation:

On March 1, 2020, PG&E will close all current agricultural rates to new customers. These rates include: AG-1, AG-4, AG-5, and their variations. AG-R and AG-V are already closed to new customers. New customers requesting to start service will be placed on a rate under PG&E's new AG rates (see Figure 2).

Figure 2.

< 35 kW customer	
Schedule AG-A1 < 1,300 Annual Operating Hours	Schedule AG-A2 > 1,300 Annual Operating Hours
Available to all customers < 35 kW	Available to all customers < 35 kW
Designed for <b>lower load factor</b> customers with <b>fewer operating hours</b>	Designed for <b>higher load factor</b> customers who pump <b>over 1,300 hours per year</b>
Contains: Max Demand Charge	Contains: Max Demand Charge
Compared to AG-A2 prices <ul style="list-style-type: none"> <li>• <b>lower demand</b> charges</li> <li>• <b>higher energy</b> charges with wider TOU differentiation</li> </ul>	Compared to AG-A1 prices <ul style="list-style-type: none"> <li>• <b>higher demand</b> charges</li> <li>• <b>lower energy</b> charges with less TOU differentiation</li> </ul>
35 kW+ customer	
Schedule AG-B < 1,500 Annual Operating Hours	Schedule AG-C > 1,500 Annual Operating Hours
Available to all customers over 35+ kW	Available to all customers over 35+ kW
Designed for <b>lower load factor</b> customers with <b>fewer than 1,500 operating hours</b>	Designed for <b>higher load factor</b> customers who pump <b>over 1,500 hours per year</b>
Contains: Max Demand Charge	Contains: Max Demand and <b>Summer On-Peak Demand Charge and Demand Charge Limiter</b>
Compared to AG-C prices <ul style="list-style-type: none"> <li>• <b>lower demand</b> charges</li> <li>• <b>higher energy</b> charges with wider TOU differentiation</li> </ul>	Compared to AG-B prices <ul style="list-style-type: none"> <li>• <b>higher demand</b> charges</li> <li>• <b>lower energy</b> charges with less TOU differentiation</li> </ul>

Customers will be automatically transitioned to a new AG rate in March 2021 based on the following Table.

Table 1.

Customers on ....	And ...	will be assigned to...
AG1A, AG-4A, AG-VA and AG-RA	< 35 kW	<b>AG-A1</b> ...can elect AG-A2, or new AG-FA
AG-5A	< 35 kW	<b>AG-A2</b> ...can elect AG-A1, or new AG-FA
AG1A, AG-4A, AG-VA and AG-RA	>=35 kW	AG-B ...can elect AG-C, or new AG-FB/FC
AG-5A	>= 35 kW	AG-B ...can elect AG-C, or new AG-FB/FC
AG-1B, AG-4B, AG-4C, AG-VB and AG-RB	No size screening	AG-B ...can elect AG-C, or new AG-FB/FC
AG-5B and AG-5C	No size screening	AG-C ...can elect AG-B, or new AG-FB/FC

The current agricultural rates generally have a peak period of 12:00pm-6:00pm with a partial peak period of 8:30am-12:00pm and 6:00pm-9:30pm. The new AG rate structure will have a peak period from 5:00pm-8:00pm every day, the remaining hours are off-peak. No partial peak or super off-peak periods. See Figure 3.

Figure 3



### Flex Option

Agricultural customers also have the option to select an AG Flex rate. These rates have longer off-peak periods in exchange for a higher peak rate. See Figure 4 for a breakdown.

Figure 4

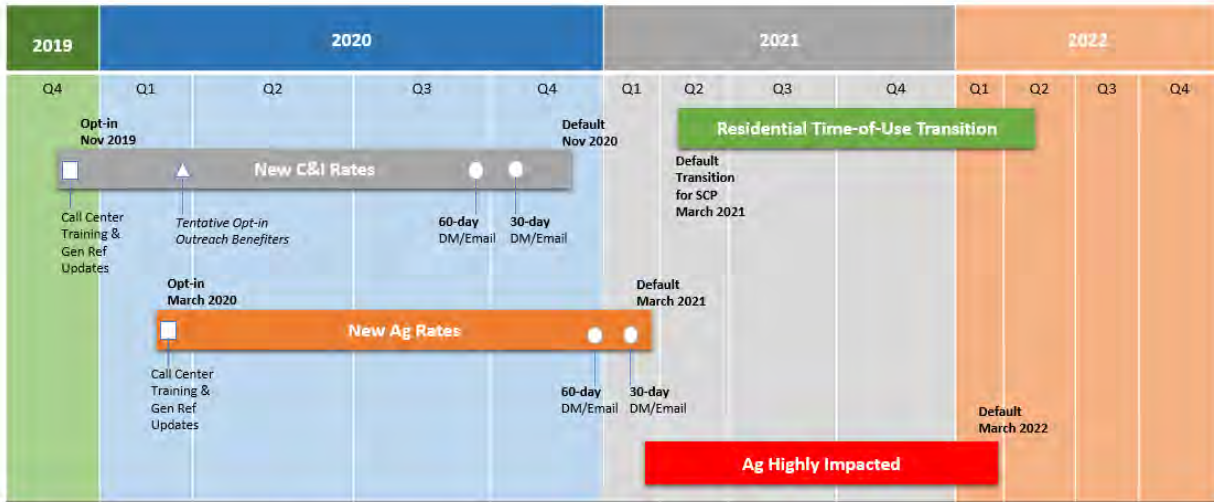
Option to designate days subject to off-peak pricing	
<b>Wednesday Thursday Or Saturday Sunday</b>	<p><b>Allows 69 hours of continuous off peak pricing.</b></p> <p><u>For example,</u> if you select the Wednesday and Thursday option, you will have off peak pumping from 8:01pm on Tuesday to 4:59pm on Friday, totaling to 69 hours of continuous off peak pricing.</p>
<b>Monday and Friday</b>	<p><b>Allows off peak pricing for 45 hours, 2 times a week.</b></p> <p><u>For example,</u> Monday and Friday option, you will have off peak pumping from 8:01pm on Sunday to 4:59pm on Tuesday, and from 8:01pm on Thursday to 4:59pm on Saturday, totaling to 90 hours of off peak pricing.</p>

### Optional (Opt In) Period:

Similar to the Commercial and Industrial rates, the new AG rates will remain optional for current customers for one year, then will become mandatory in March 2021. At that time, PG&E will shift all agricultural customers to the new AG rates with the exception of certain solar customers based on the customer's Permission To Operate

date or if the agricultural customer is “highly impacted”. See summary of TOU transition schedule in Figure 4.

Figure 5.



- Solar GF customers will default to the new TOU rates, annually in Nov or March, ending 2027
- Highly impacted Agricultural customers will not be transitioned to the new Agricultural rate plans until March 2022.

## Customer Communication & Support:

Figure 5 outlines PG&E’s communication plan for customers. SCP will also include information on our website and for our call center.

### Pre-Transition Communication

- Tentative Opt-In outreach to benefitters (direct mail/email)
- Pre-transition education, ~60 days prior to mandatory transition (direct mail/email)
- Pre-transition notice, ~30 days prior to mandatory transition (direct mail/email)
- Most impacted customers receive additional touch (person-to-person)

### Post-Transition Customer Communication

- Customer receives first bill on new rates
- On-bill messaging indicates that customer has transitioned and reinforces information about new time periods

### Customer Support

- PG&E website updated to include information about transition and new Time-of-Use periods
- PG&E’s “Your Account” platform allows customers to run rate comparison and enroll in new rate

- PG&E Business Customer Service Center hold messaging and CSRs will inform customers about upcoming transition to new time-of-use periods
- Assigned Reps available as a resource for their defaulting customers
- Industry and community outreach partnerships

### **PG&E's Preliminary Estimates of Customer Impact:**

PG&E provided the following preliminary analysis of how the mandatory transition would impact customers across their service territory. As shown in Table 2, the structure should be price neutral or a benefit for most customers, which will help with customer acceptance.

Table 2.

Benefiter	Neutral	Impacted	Most Impacted
22%	77%	>1%	>1%
Sees more than a 5% annual decrease in bills	Sees between a 4.9% decrease and a 2% increase in annual bills on the new time periods	Sees between a 2% and \$100 annual increase and a 7% annual and \$100 increase in bills on the new time periods	Ag customers who see more than a 7% and \$100 annual increase on the new rates

### **Time-of-Use Period Grandfathering Terms for Solar Customers:**

Based on a settlement of parties, the CPUC issued Decision 17-01-006. This Decision allows solar customers up to 10 years of grandfathering based on the customer's Permission To Operate date for customers who completed an interconnection application by July 31, 2017 (non-public agencies) and December 31, 2017 (public agencies). The duration of grandfathering period shall not continue beyond July 31, 2027 for non-public agencies and December 31, 2027 for public agencies.

Although the Time-of-Use (TOU) periods will be grandfathered, PG&E's rates (and subsequently SCP's rates) will adjust to reflect underlying costs starting in March 2021.

### **Rates:**

PG&E has stated that it intends to file the draft agricultural rate tariff sheets in late February with illustrative prices. It is anticipated by staff (based on past experience) the final PG&E prices (retail rates) will not be filed until February 28<sup>th</sup>, effective March 1<sup>st</sup>.

### **Staff Recommendation for SCP in Response to PG&E Rate Changes:**

Staff requests the Board of Directors adopt the new agricultural rate structure and corresponding rates for SCP customers as well, which will provide a 2.0% total bill savings for customers compared to the rates PG&E puts into effect on March 1<sup>st</sup>. This will maintain the savings approved by SCP's Board of Directors on July 11, 2019 that went into effect on September 1<sup>st</sup> for SCP customers.

NOTE: this amount of savings will be superseded if the Board adopts staff's recommendation in Item 8 of this packet to set rates to equal PG&E's rates on March 1, 2020.

### **Community Advisory Committee Review**

The Committee recommends the Board adopt the proposed agricultural rate structure.

### **Fiscal Impact:**

It is anticipated by staff that the new rates will not have much of a financial impact for SCP for this fiscal year as they do not become mandatory until March 2021. Before the rates and structure become mandatory for customers, SCP will go through another budget and rate cycle to fully evaluate how much the shift in peak period will affect customer usage and conservation during the peak period.

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## **Staff Report - Item 04**

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**To:** Sonoma Clean Power Authority Board of Directors

**From:** Stephanie Reynolds, Director of Internal Operations

**Issue:** Appointment of Chair and Vice Chair of the Board for One-Year Terms

**Date:** February 6, 2020

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### **Requested Board Action:**

Nominate and approve the appointments of Chair and Vice Chair of the Sonoma Clean Power Authority Board of Directors for 2020.

### **Background:**

There are no written materials for this item.

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## **Staff Report - Item 05**

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**To: Sonoma Clean Power Authority Board of Directors**

**From: Stephanie Reynolds, Director of Operations  
Mike Koszalka, COO**

**Issue: Receive Internal Operations Report and Provide Directions as Appropriate**

**Date: February 6, 2020**

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### **RECOMMENDATION:**

Informational report only, no action is required.

### **NEW SCP TEAM MEMBER**

This week, SCP welcomed Carolyn Glanton to our team. Carolyn is working with the Programs Team as a Programs Manager and will be working on various projects including potential battery storage programs. Around seven years ago, Carolyn was one of the interns working at the Sonoma County Water Agency (now Sonoma Water) when the concept of CCA programs was being introduced to our area. We are lucky to have her join us!

### **COMMUNITY ADVISORY COMMITTEE CHAIR AND VICE CHAIR FOR 2020**

At the January 23<sup>rd</sup> meeting of the Community Advisory Committee, Dick Dowd was re-elected as Chair and Karen Baldwin as Vice Chair for the New Year.

## **PROGRAM UPDATES (covered in detail in the Strategic Action Plan item):**

### ***Advanced Energy Rebuild (AER)***

Currently, over 340 residents have applied for Advanced Energy Rebuild, 28% of which have chosen to rebuild all-electric homes.

## **MONTHLY COMPILED FINANCIAL STATEMENTS**

The year-to-date growth in net position is slightly above projections due primarily to a combination higher than anticipated electricity sales and lower than expected costs of energy. Year-to-date electricity sales reached \$98,392,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$108,672,000, which indicates healthy growth as SCP continues to make progress towards its reserve goals. Of this net position, approximately \$71,147,000 is set aside for reserves (Operating Reserve: \$58,365,000; Program Reserve: \$10,672,000; and Collateral Reserve: \$2,109,000).

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

## **BUDGETARY COMPARISON SCHEDULE**

The accompanying budgetary comparison includes the 2019/20 budget approved by the Board of Directors in June 2019.

The budget is formatted to make comparisons for both the annual and the year-to-date perspective. The first column, 2019/20 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 slightly greater than the year-to-date budget by less than 1%.

The cost of electricity is approximately 6% less than the budget-to-date. 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 and are closely aligned to budget.

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

## **TITLE 24 SOLAR REQUIREMENTS**

*At the last meeting, staff was asked to bring back information on Title 24 Solar Requirements by the State of California.*

California's 2019 Building Energy Efficiency Standards officially take effect on Jan 1, 2020. The solar requirement applies to new buildings under three stories tall. The solar mandate is climate zone-specific and based on the floor area of the home. The solar system must be sized to produce the net *annual*/kilowatt-hour energy use of the home.

Under these parameters, coupled with the fact that new homes will be more efficient overall, solar system sizes under the new rules are *expected* to range from 2.7 kilowatts to 5.7 kilowatts based on location. The average size of a solar installation on an existing home in California today (a retrofit system) is 6.8 kilowatts. The smaller size of these systems plays a big role in determining the expected costs and grid impacts of the new codes (more on that below).

<https://www.greentechmedia.com/articles/read/everything-you-need-to-know-about-californias-new-solar-roof-mandate>

## **ATTACHMENTS:**

December 2019 Financial Statement and Budgetary Comparison

## **UPCOMING MEETINGS:**

**CAC - Thursday, February 20, 2020 at 1:00 P.M.**

**BOD - Thursday, March 5, 2020 at 8:45 A.M.**

**CAC - Tuesday, March 17, 2020 at 1:00 P.M.**

**BOD - Thursday, April 2, 2020 at 8:45 A.M.**



## 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 December 31, 2019, 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 note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. Sonoma Clean Power Authority's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these 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 28, 2020

**SONOMA CLEAN POWER AUTHORITY  
OPERATING FUND  
BUDGETARY COMPARISON SCHEDULE  
July 1, 2019 through December 31, 2019**

	2019/20 YTD Budget	2019/20 YTD Actual	2019/20 YTD Budget Variance (Under) Over	2019/20 YTD Actual/ Budget %	2019/20 Budget	2019/20 Budget Remaining
<b>REVENUE AND OTHER SOURCES:</b>						
Electricity (net of allowance) *	\$ 97,746,680	\$ 98,131,570	\$ 384,890	100%	\$ 187,866,000	\$ 89,734,430
Evergreen Premium (net of allowance)	234,655	261,162	26,507	111%	451,000	189,838
CEC Grant	2,380,000	1,669,189	(710,811)	70%	4,760,000	3,090,811
BAAQMD grant	50,000	42,125	(7,875)	0%	100,000	57,875
Interest income	505,500	676,854	171,354	134%	1,011,000	334,146
Total revenue and other sources	100,916,835	100,780,900	(135,935)	100%	194,188,000	93,407,100

**EXPENDITURES AND OTHER USES:**

<b>CURRENT EXPENDITURES</b>						
Cost of energy and scheduling	78,846,228	74,504,902	(4,341,326)	94%	152,301,000	77,796,098
Data management	1,579,000	1,590,150	11,150	101%	3,158,000	1,567,850
Service fees- PG&E	480,500	481,667	1,167	100%	961,000	479,333
Personnel	2,165,000	1,922,610	(242,390)	89%	4,330,000	2,407,390
Outreach and communications	480,000	303,668	(176,332)	63%	960,000	656,332
Customer service	269,214	274,468	5,254	102%	367,000	92,532
General and administration	282,500	334,587	52,087	118%	505,000	170,413
Legal, regulatory and compliance	463,000	548,886	85,886	119%	926,000	377,114
Accounting	105,500	100,306	(5,194)	95%	211,000	110,694
Legislative	39,000	39,000	-	100%	78,000	39,000
Other consultants	80,000	85,249	5,249	107%	160,000	74,751
CalCCA Trade Association	220,000	165,000	(55,000)	75%	440,000	275,000
Program implementation	1,700,000	789,648	(910,352)	46%	3,400,000	2,610,352
Program - CEC grant	4,480,000	2,784,594	(1,695,406)	62%	8,960,000	6,175,406
Program development and evaluation	25,000	-	(25,000)	0%	50,000	50,000
Total current expenditures	91,214,942	83,924,735	(7,290,207)	92%	176,807,000	92,882,265

**OTHER USES**

Capital outlay	4,350,000	120,003	(4,229,997)	3%	8,700,000	8,579,997
Total Expenditures, Other Uses and Debt Service	95,564,942	84,044,738	(11,520,204)	88%	185,507,000	101,462,262
Net increase (decrease) in available fund balance	\$ 5,351,893	\$ 16,736,162	\$ 11,384,269	313%	\$ 8,681,000	\$ (8,055,162)

\* Represents sales of approximately 1,163,000 MWh for 2019/20 YTD actual.

**RESERVES**

	Current Balance	% of FY Target	FY Target Balance
Operating Cash Reserve	\$ 58,365,935	63%	\$ 92,753,500
Program Cash Reserve	10,672,452	58%	18,550,700
Collateral Cash Reserve	2,109,057	14%	15,230,100
	\$ 71,147,444	56%	\$ 126,534,300

**SONOMA CLEAN POWER AUTHORITY**  
**OPERATING FUND**  
**BUDGET RECONCILIATION TO STATEMENT OF**  
**REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**July 1, 2019 through December 31, 2019**

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 16,736,162
---	---------------

Adjustments needed to reconcile to the  
changes in net position in the  
Statement of Revenues, Expenses  
and Changes in Net Position:

Subtract depreciation expense	(31,541)
Add back capital asset acquisitions	<u>336,033</u>
Change in net position	<u>\$ 17,040,654</u>





## 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 December 31, 2019, 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 note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. Sonoma Clean Power Authority's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these 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 28, 2020

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of December 31, 2019

### ASSETS

Current assets	
Cash and cash equivalents	\$ 68,193,755
Accounts receivable, net of allowance	16,118,872
Other receivables	1,552,719
Accrued revenue	8,940,225
Prepaid expenses	1,489,014
Deposits and other current assets	707,079
Investments	20,082,297
Total current assets	<u>117,083,961</u>
Noncurrent assets	
Land and construction-in-progress	5,124,440
Capital assets, net of depreciation	162,810
Deposits and other noncurrent assets	5,459,242
Total noncurrent assets	<u>10,746,492</u>
Total assets	<u>127,830,453</u>

### LIABILITIES

Current liabilities	
Accounts payable	1,420,397
Accrued cost of electricity	14,701,773
Advanced from grantors	402,500
Other accrued liabilities	1,819,733
User taxes and energy surcharges due to other governments	526,839
Total current liabilities	<u>18,871,242</u>

### NET POSITION

Investment in capital assets	5,287,250
Unrestricted	103,671,961
Total net position	<u><u>\$ 108,959,211</u></u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**July 1, 2019 through December 31, 2019**

**OPERATING REVENUES**

Electricity sales, net	\$ 98,130,860
Evergreen electricity premium	261,162
Grant revenue	1,711,314
Total operating revenues	<u>100,103,336</u>

**OPERATING EXPENSES**

Cost of electricity	74,504,902
Contract services	6,512,451
Staff compensation	1,971,566
General and administration	506,940
Program rebates and incentives	212,846
Depreciation	31,541
Total operating expenses	<u>83,740,246</u>
Operating income	<u>16,363,090</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest income	676,854
Other nonoperating revenue	710
Total nonoperating revenues (expenses)	<u>677,564</u>

**CHANGE IN NET POSITION**

	17,040,654
Net position at beginning of period	<u>91,918,557</u>
Net position at end of period	<u><u>\$ 108,959,211</u></u>

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS July 1, 2019 through December 31, 2019

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 102,309,360
Receipts from grantors	1,021,283
Payments to electricity suppliers	(73,170,590)
Payments for other goods and services	(5,732,219)
Payments for staff compensation	(2,054,449)
Tax and surcharge payments to other governments	(1,289,867)
Payments for program rebates and incentives	<u>(506,621)</u>
Net cash provided (used) by operating activities	<u>20,576,897</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(752,429)</u>
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### CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	504,611
Proceeds from certificates of deposit matured	10,274,237
Purchase of certificates of deposit	<u>(20,000,000)</u>
Net cash provided (used) by investing activities	<u>(9,221,152)</u>

Net change in cash and cash equivalents (including County Investment Pool)	10,603,316
Cash and cash equivalents at beginning of year	<u>57,590,439</u>
Cash and cash equivalents at end of year	<u><u>\$ 68,193,755</u></u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF CASH FLOWS (continued)**  
**July 1, 2019 through December 31, 2019**

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

Operating income	\$ 16,363,090
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	31,541
Revenue adjusted for allowance for uncollectible accounts	753,165
(Increase) decrease in:	
Accounts receivable	376,873
Other receivables	(392,828)
Accrued revenue	1,468,926
Prepaid expenses	128,122
Deposits	(375,000)
Increase (decrease) in:	
Accounts payable	33,616
Accrued cost of electricity	(374,859)
Advance from grantors	(42,125)
Accrued liabilities	2,592,469
User taxes due to other governments	28,507
Supplier security deposits	(14,600)
Net cash provided (used) by operating activities	<u>\$ 20,576,897</u>

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## **Staff Report - Item 06**

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**To:** Sonoma Clean Power Authority Board of Directors

**From:** Geof Syphers, CEO  
Neal Reardon, Director of Regulatory Affairs

**Issue:** Receive Legislative and Regulatory Updates and Provide Direction as Appropriate

**Date:** February 6, 2020

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### **Requested Board Action:**

Receive Legislative and Regulatory Updates and Provide Direction as Appropriate

### **Regulatory Update**

#### PG&E Energy Resource Recovery Account (ERRA)

PG&E's Application for approval of 2020 ERRA revenue requirements is pending with the Commission. SCP and a coalition of Northern Californian CCAs have been litigating this Application by prepondering data requests, issuing testimony, briefings, and holding ex-parte meeting with decision makers at the CPUC. This process began in September is now nearing completion. Our final comments on PG&E's proposed rates were submitted December 6<sup>th</sup>.

A Proposed Decision was issued by the assigned administrative law judge which adopts the majority of PG&E's proposed rates and is unfavorable to CCA customers. This Decision is on the agenda for the February 27<sup>th</sup> Commission meeting. If it is adopted then, rates would most likely be implemented on May 1<sup>st</sup>. SCP will continue to litigate this issue working in conjunction with other CCAs.

It is important to note that a delay in implementing this new – higher – PCIA does not absolve our customers of that liability. As of January 1<sup>st</sup>, 2020, PG&E will track this higher PCIA against what customers are paying today. Any under collections will go into a balancing account that SCP customers will be held liable for in the future. The impacts of this are discussed in a later agenda item.

#### PG&E RFO for Generation at PSPS-impacted-substations

On December 11, 2019, PG&E issued a Request for Offers (RFO) for generation facilities that would power “resiliency microgrids” at 20 PG&E-owned substations in SCP and Marin Clean Energy’s service areas. The RFO is all-source, and requires resources that are dispatchable and can maintain delivery of energy for days at a time. These resources would be owned-and-operated by PG&E and would contribute to their rate of return. During times of PSPS events, PG&E would use these resources to provide generation to CCA and PG&E customers – alleviating the impact of their PSPS strategy at that substation.

SCP staff have met with PG&E several times over the course of the past month to better understand their intentions. We have questioned PG&E about many aspects of this RFO including whether they first evaluated options to repair the grid, how cost-allocation would be treated, whether an exemption of California Environmental Quality Act and other local permitting processes is indeed feasible, if they evaluated sites not owned by PG&E, and how jurisdiction within CCA territories would be addressed.

On January 15, 2020, SCP issued a letter to PG&E and relevant staff at the CPUC outlining our concerns, proposing that PG&E retract the RFO and work collaboratively with SCP on solutions best tailored to our community’s needs and preferences. PG&E responded in a public letter to SCP, but failed to address the majority of SCP’s concerns. SCP staff continue to discuss this RFO and alternative solutions with PG&E.

### **Legislative Update**

The Legislature returned to Sacramento on January 6<sup>th</sup> and has been very active in advancing many of the two-year bills out of their respective house of origin. (Any legislation introduced in 2019 that is still in its originating house must be passed out of their respective house by January 31<sup>st</sup> if the legislation is to continue in 2020.)



The Senate Energy, Utilities and Communications Committee met in January to hear a few bills pertaining wildfire prevention, PSPS events, expediting CPUC proceedings, and RPS long-term contractual requirements. SCP is monitoring the four bills that advanced to the Senate Committee on Appropriations. The Senate Committee on Appropriations will determine if they advance to the Senate Floor by January 23<sup>rd</sup>.

Even though the deadline to introduce legislation is not until February 21<sup>st</sup>, a few bills have started to emerge relating to energy. We do not anticipate the newly introduced bills for the 2020 legislative session will be heard in a policy committee until late March or early April. A complete list of introduced and amended bills will be provided to the Board as soon as the introduction deadline has passed.

### *Budget*

Governor Newsom released the 2020-21 budget on January 10<sup>th</sup> stating California is poised to collect a sizable cash surplus of projections in the \$222.2 billion state budget.

Governor Newsom stated in his letter to the members of the Legislature “there are deep, structural challenges that threaten our state’s future and demand our urgent attention. These problems—catastrophic wildfires and their impacts, the expanding homelessness crisis, and growing inequality of opportunity—have been decades in the making and won’t be fixed overnight. California can and must do more to tackle these challenges and fortify our future.”

Climate resilience is one of Governor Newsom’s top priorities. The governor believes the state must reduce climate risk, while transitioning to a carbon neutral economy by 2045. The proposed budget reflects the following priorities to address both short- and long-term climate risks:

- Transportation - Decarbonization in the state’s largest sector or emissions by providing clean vehicles, clean fuels, low-carbon transportation options, and transit-oriented development.
- Invest \$12.5 billion over the next five years which will include a \$4.75 billion climate resilience bond to be placed on the November 2020 ballot. The bond is structured based on climate risks, and approximately 80 percent of the funds are allocated to address immediate near-term risks (floods, drought, and wildfires), while the remaining funds lay the groundwork for addressing

long-term climate risk (sea level rise and extreme heat). If approved by the voters, the bond will allocate the following:

- \$750 million to harden critical public infrastructure in high-fire-risk communities and makes additional investments in forest health.
- \$220 million to support Salton Sea habitat and air quality mitigation projects necessary for the 2018 Salton Sea Management Plan.
- \$25 million to Community Resilience Planning
- \$225 million to Community Resiliency Centers

The proposed budget recognizes the scale and immediacy of the climate issues. The budget includes a \$1 billion General Fund investment (\$250 million in 2020-21) for a Climate Catalyst Fund to be administered by the state's infrastructure Economic Development Bank in consultation with the Strategic Growth Council and the Labor and Workforce Development Agency.

The Climate Catalyst Fund projects will be focused on the following key areas:

- Transportation Emission Reduction
- Climate Smart Agriculture and Forestry
- Circular Economy

Governor Newsom did urge legislators to limit their requests for more spending in light of the expectations that the state and national economies will grow more slowly in the immediate future.

### *2020 Legislative Calendar*

January 31	Last day to pass bills introduced in the House of Origin in 2019
February 21	Last day for bills to be introduced
April 2	Spring Recess
April 13	Legislature Reconvenes from Spring Recess
April 24	Last day for policy committees to hear and report to fiscal committees
May 1	Last day for policy committees to hear and report to the floor nonfiscal bills
May 8	Last day for policy committees to meet prior to June 1
May 15	Last day for fiscal committees to hear and report to the floor
May 29	Last day to pass bills introduced in that house
June 15	Budget Bill must be passed by midnight

June 25 Last day for legislative measure to qualify for the Nov 3 General Election Ballot  
 June 26 Last day for policy committees to hear and report fiscal bills  
 July 2 Last day for policy committees to meet and report bills  
 Summer Recess Begins  
 August 3 Legislature reconvenes from Summer Recess  
 August 14 Last day for fiscal committees to meet and report bills  
 August 17-31 Floor Session only.  
 August 21 Last day to amend bills  
 August 31 Last day for each house to pass bills  
 Final recess begins upon adjournment

The four bills highlighted in table below and reported on in the last report were all heard in the Senate Committee on Appropriations.

<b>Bill</b>	<b>Description</b>	<b>Location</b>	<b>CalCCA Position</b>	<b>SCP Position</b>
SB 45 (Allen)	Wildfire Prevention, Safe Drinking Water, Drought Preparedness, and Flood Protection Bond Act.	Senate Committee on Appropriations, 1/21 & 1/23	None	None
SB 378 (Wiener)	Ratepayer Protections; PSPS events; Municipalization & DERs code of conduct.	Senate Committee on Appropriations, 1/21 & 1/23	None	None
SB 605 (Hueso)	Expedited CPUC proceedings; catastrophic wildfires.	Senate Committee on Appropriations, 1/21	None	None
SB 702 (Hill)	RPS long-term contracting requirements; energy service providers	Senate Committee on Appropriations, 1/21	None	None

Unnumbered (Wiener)	Senator Wiener is expected to release a bill on Feb 3 calling for a state takeover of PG&E.	Going into print for the first time Feb 3.	None	None
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Senate Bill 45 was amended to add Senator Melissa Hurtado (D-Sanger) as a co-author, increase the bond amount from \$4.2 billion to \$5.5 billion, and make some definitional changes, most notably to grants for wildfire prevention and community resilience. Specifically, funding in the bond changed in the following ways:

- Wildfire prevention, drought, or other natural disaster prevention and community resilience from climate change impacts increased from and community resilience increased from \$1.6 billion to \$2.2 billion;
- Safe drinking water and water supply protection from climate change increased from \$1.1 billion to \$1.4 billion;
- Fish and wildfire protection from climate change increased from \$520 million to \$620 million
- Coastal lands, oceans, bays, and other waters protection from climate change increased from \$630 million to \$970 million;

The bills provision related to community resiliency incentive grants for clean energy distribution systems for local agencies, state agencies, joint powers authorities and tribes was expanded to include special districts and vulnerable populations. The grant program was also clarified to apply to microgrids, distributed generation and storage systems and in-home backup power systems powered by clean energy. This is an area where CCAs will be providing feedback to the author and legislative leadership.

SB 605 passed the committee on Tuesday and SB 702 was sent directly to the floor by the Senate Committee on Rules without an appropriations committee hearing as the cost was determined to be negligible. Both bills will also be heard on the Senate floor this week before the January 31<sup>st</sup> house or origin deadline.

### **Senator Wiener's Call for Public Takeover of PG&E**

SCP will circulate Senator Wiener's expected bill as soon as it is published. Staff anticipate the bill will call for the orderly transition of PG&E into a publicly-owned utility. Not many details are available as of the date this packet goes to print,

however this expected bill is likely to align closely with SCP's Core Principles for PG&E Restructuring adopted on December 5, 2019. Those Principles call for favoring public or customer ownership of the utility due to the apparent advantages in areas such as labor, environmental goals, cost of capital, safety and customer rates. For these reasons, staff will seek direction from the Board on whether to take an early position in support of Wiener's bill, once the bill is available for review.

## **Legislative Interaction with CPUC**

Each year, both the Assembly and Senate energy committees hold an overview hearing of the CPUC and the Public Advisor's Office (PAO) of their activities from the year before and plans for the upcoming year. Even though the CPUC report has not yet been made public, the Assembly Committee on Utilities and Energy held their annual overview hearing on Wednesday, January 22<sup>nd</sup>. President Marybel Batjer presented on behalf of the CPUC and focused on the reorganization of the CPUC, wildfires, and reliability. Director Elizabeth Echols testified on behalf of the PAO and provided an extensive overview of the role of the PAO and highlighted their work in general rate cases (GRCs) and safety.

Batjer opened her testimony by acknowledging she did not have the energy policy background or utility management experience of her predecessors but that she brings extensive governmental organization and management skills that will help make the CPUC more effective. She highlighted the importance of her skills as the CPUC begins to implement the various provisions of AB 1054, most notably, the new Wildfire Safety Division and Wildfire Management Plans required to be submitted by the IOUs and as the complimentary PSPS proceedings move forward. Batjer mentioned that the CPUC is committed to improving resiliency and highlighted the SGIP investment of \$800 million for clean backup power over the next four years and acknowledging that the CPUC and IOUs need to better engage with local governments and ensure that PSPS events are triggered only as a last resort. On reliability, Batjer discussed the CPUC working with the CEC and CAISO to direct the procurement of 3,300 MW of new clean resources between 2021 and 2023 and pointed out that most of the new procurement will come from CCAs. She also briefly discussed the importance of the PSPS proceedings and the CPUC's push to deploy microgrids and other resiliency solutions before the next wildfire season by identifying immediate actions IOUs can take to expedite projects.



## **CORE PRINCIPLES FOR PG&E RESTRUCTURING**

December 5, 2019

These principles help guide SCP's legislative and regulatory advocacy relating to PG&E's restructuring.

### **1. No region left behind**

- (a) Grid infrastructure repair costs should be shared equitably across all of an IOU's existing territory (e.g., through ongoing bill fees).
- (b) Future fire liabilities should be shared across at least all of an IOU's existing territory (e.g., through state insurance).

### **2. Refocus regulations on safety and rates**

- (a) Require regulators to rebuild capacity to regulate safety (e.g., by hiring grid engineers and first responders)
- (b) Require regulators to rebuild capacity to analyze and set investor-owned rates (e.g., by hiring accountants and financial auditors)
- (c) Ensure a significant majority of funding for regulatory staff be dedicated to safety and rates (e.g., set a minimum threshold for funding safety and rates staff at 90% of energy division budget and headcount). Doing so will balance the current focus on policy.

### **3. Financially capable and motivated to quickly repair the grid**

- (a) Able to raise the billions of dollars needed to repair large portions of the transmission and distribution grid.
- (b) Tie safety to compensation. If IOU is found negligent in endangering the public, executive bonuses, dividend increases, and share repurchases should not be permitted for one year.

#### **4. Maintain affordability**

- (a) Low cost of capital. (Typical national utility cost of equity is between 7 and 9%. PG&E's current cost of equity is 10.25% with a request to raise to 12%.)
- (b) Remove profit motive OR structure to ensure a reasonable expectation of profit.

#### **5. Financial and Operational Transparency**

- (a) Open book operation. All finances are 100% publicly disclosed. Budgeting and operational decisions around maintenance and capital investments should be disclosed to the public.
- (b) Full-time auditor team works inside accounting department of for-profit utility with access to view all accounts and financial transactions.
- (c) Outside independent auditor to review PG&E's rates and fees (e.g., like other states, the Public Advisor's Office could be reconstituted within the State Attorney General's office).

#### **6. Protect workers by honoring labor agreements and benefits**

#### **7. Governance with strong public interest**

#### **8. Support local distributed energy resource solutions**

- (a) Prioritize local distributed energy / microgrid solutions over expensive upgrades to the grid.
- (b) Ensure open grid access for all local projects and resources.

#### **9. No reduction in environmental obligations**

#### **10. Favor public or customer non-profit ownership**

Ownership by government or customers appears to have strong advantages across all or most of these principles.

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**UNITED STATES BANKRUPTCY COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**  
**SAN FRANCISCO DIVISION**

In re:  
PG&E CORPORATION,  
-and-  
PACIFIC GAS & ELECTRIC  
COMPANY,  
  
Debtors.

Case No. 19-30088 (DM)  
Chapter 11 Lead Case  
(Jointly Administered)

**OBJECTION OF GOVERNOR GAVIN  
NEWSOM TO DEBTORS' AMENDED  
MOTION FOR ENTRY OF ORDERS (I)  
APPROVING TERMS OF, AND DEBTORS'  
ENTRY INTO AND PERFORMANCE  
UNDER, EQUITY BACKSTOP  
COMMITMENT LETTERS, (II)  
APPROVING TERMS OF, AND DEBTORS'  
ENTRY INTO AND PERFORMANCE  
UNDER, DEBT FINANCING  
COMMITMENT LETTERS AND (III)  
AUTHORIZING INCURRENCE,  
PAYMENT AND ALLOWANCE OF  
RELATED FEES AND/OR PREMIUMS,  
INDEMNITIES, COSTS AND EXPENSES  
AS ADMINISTRATIVE EXPENSE CLAIMS**

**[Related to Docket No. 5267]**

Date: January 29, 2020  
Time: 10:00 a.m. (Pacific Time)  
Place: United States Bankruptcy Court  
Courtroom 17, 16th Floor  
San Francisco, CA 94102

- ☐ Affects PG&E Corporation  
☐ Affects Pacific Gas & Electric  
Company  
☒ Affects both Debtors

*\*All papers shall be filed in the Lead  
Case, No. 19-30088 (DM)*



1 Governor Gavin Newsom, by and through his counsel, O'Melveny & Myers LLP,  
2 respectfully submits this objection (the "**Objection**") in response to the *Debtors' Amended Motion*  
3 *for Entry of Orders (I) Approving Terms of, and Debtors' Entry into and Performance Under,*  
4 *Equity Backstop Commitment Letters, (II) Approving Terms of, and Debtors' Entry into and*  
5 *Performance Under, Debt Financing Commitment Letters and (III) Authorizing Incurrence,*  
6 *Payment and Allowance of Related Fees and/or Premiums, Indemnities, Costs and Expenses as*  
7 *Administrative Expense Claims* [Docket No. 5267] (the "**Plan Funding Motion**").<sup>1</sup> Governor  
8 Newsom files this Objection in his official capacity as Governor of the State of California, but not  
9 on behalf of any agency, department, unit or entity of the State of California.<sup>2</sup> In support of the  
10 Objection, Governor Newsom respectfully states as follows:

11 1. The state of California's objectives remain clear: (i) Californians must have access  
12 to safe, reliable and affordable service; (ii) wildfire victims must be treated fairly; and  
13 (iii) California must continue to make progress on its climate change goals. PG&E's historical  
14 failures—including decades of mismanagement and inadequate investments in fire safety and fire  
15 prevention—require that any plan of reorganization must position the reorganized entity for  
16 transformation, include stringent governance and management requirements and enforcement  
17 mechanisms, and provide for a capital structure that allows the reorganized entity to undertake  
18 critical safety investments. In his December 13, 2019 letter to PG&E [Docket No. 5138-1] (the  
19 "**December 13 Letter**"), Governor Newsom made clear that the Debtors' Plan, and the  
20 restructuring transactions contemplated therein, did not, in his judgment, result in a reorganized  
21 utility capable of satisfying the requirements of Assembly Bill 1054 (Holden, Chapter 79, Statutes  
22 of 2019) ("**AB 1054**").

23 2. Since the December 13 Letter, the Governor's staff—through numerous discussions  
24 and meetings with the Debtors' advisors—provided the Debtors clear guidance on modifications  
25 that, in the Governor's judgment, would align the Debtors' Plan more closely with the requirements  
26 set forth in AB 1054. The modifications required for the Debtors' Plan to meet AB 1054 are not

27 <sup>1</sup> Capitalized terms used but not defined herein have the meaning given to such terms in the Plan Funding Motion.

28 <sup>2</sup> The Attorney General has appeared in these proceedings on behalf of certain agencies and departments of the State of California. The Governor does not take a position on the issues raised in those filings in this pleading.

1 insubstantial or cosmetic. The Governor's expectation is that the Debtors' Plan must be materially  
2 amended to incorporate necessary changes to the governance and management provisions,  
3 enforcement mechanisms and proposed capital structure to allow the necessary transformation of  
4 the Utility.

5         3.       The Debtors and the shareholder proponents are well aware that the Debtors' Plan  
6 must comply with AB 1054 for the emerging utility to have access to the fund provided in the  
7 statute (the "**Wildfire Fund**"). In fact, absent AB 1054 the Debtors appear to lack a path to a  
8 feasible plan. Yet, despite the Governor's unequivocal statements, and continuous engagement by  
9 the Governor's advisors, the Debtors and the shareholder proponents have yet to make a single  
10 modification to the Debtors' Plan as filed with this Court to address its many deficiencies. It seems  
11 clear that rather than amend the Debtors' Plan to incorporate the necessary changes, the Debtors  
12 instead intend to try to leverage the chapter 11 process to force the California Public Utilities  
13 Commission (the "**CPUC**") to approve—and the state of California to accept—a sub-optimal plan.  
14 Allowing the Debtors to enter into the Exit Financing Commitments will only further embolden the  
15 Debtors' strategy.

16         4.       While AB 1054 provides the Debtors a path to resolve the Chapter 11 Cases, the  
17 statute is explicit that the Debtors benefit from the Wildfire Fund only if they meet the obligations  
18 to the people of California as set forth in the statute. Given the Debtors continue to refuse to  
19 implement the changes to the Debtors' Plan necessary to effect the required transformation and  
20 satisfy AB 1054, the Governor is pursuing strategies to protect California's interests through further  
21 intervention, including a state takeover of the Utility.

22         5.       Against that backdrop, the Debtors seek the Court's approval of Exit Financing  
23 Commitments that would obligate the Debtors, or any other plan proponent—including, arguably,  
24 under a plan that advances public ownership—to pay fees that could exceed \$1 billion to support a  
25 capital structure that the Governor already stated does not comply with AB 1054. Indeed, the  
26 capital structure contemplated in the Exit Financing Commitments is *exactly* the same as the  
27 proposed capital structure the Governor rejected in the December 13 Letter. The Debtors' Plan  
28 continues to rely on substantial debt at the holding company, secured debt, and expensive short-

1 term bridge financing—all issues the Governor specifically referenced in the December 13 Letter—  
2 and that taken together, leave the reorganized entity with insufficient financial flexibility to make  
3 billions of dollars in critically needed safety investments.<sup>3</sup>

4 6. Despite the reality that the Debtors' Plan requires substantial amendments to satisfy  
5 AB 1054, the Exit Financing Commitments Letters contain provisions that provide the Exit  
6 Commitment Parties with the right to terminate their commitments if the Debtors' Plan is amended.  
7 The inclusion of these provisions render these very expensive commitments illusory as they provide  
8 the Exit Commitment Parties what is essentially a one-way option given that substantial  
9 amendments to the Debtors Plan are inevitable.

10 7. Specifically, the Equity Financing Commitment Letters contain provisions that  
11 allow the Equity Backstop Parties to walk away from their commitments. *See* Equity Backstop  
12 Commitment Letters § 4(c) (conditioning the commitments on the Confirmation Order approving  
13 the December 12, 2019 plan with only amendments modifications, changes and consents approved  
14 by a majority of the Aggregate Backstop Commitments); Equity Backstop Commitment Letters §§  
15 5(a), 5(d)(i) (providing termination rights for certain amendments, modifications of changes to the  
16 Debtors' Plan); Equity Backstop Commitment Letters § 5(d)(ii) (providing termination rights if the  
17 Plan Supplement or any Plan Document is finalized or finalized without the consent of a majority  
18 of the Aggregate Backstop Commitments); Equity Backstop Commitment Letters §§ 5(k), 5(o)  
19 (providing for termination if the terms of the CPUC approval of the Debtors' Plan are not acceptable  
20 to the majority of the Aggregate Backstop Commitments).

21 8. The Debt Financing Commitment Letters similarly contain provisions that afford  
22 the Debt Backstop Parties a one-way option. *See* Debt Commitment Letters, Annex B § 1(a)(y)  
23 (conditioning the commitments on the Confirmation Order approving the December 12, 2019 plan  
24 in form and substance reasonably satisfactory to the Required Commitment Parties; Debt  
25 Commitment Letters, Annex B § 1(b) (conditioning the commitments on the requirement that none  
26 of the Plan, Confirmation or Approval Order have been amended or modified or any conditions  
27

28 <sup>3</sup> It is noteworthy that the Debt Commitment Letters support the short-term bridge financing that the December 13  
Letter indicated is a source of concern.

1 contained therein waived without the consent of the Required Commitment Parties); Debt  
2 Commitment Letters, Annex B § 1(f) (conditioning the commitments on the requirement that all  
3 documents necessary to implement the Plan and the financings and distributions contemplated  
4 thereunder shall be in form and substance reasonably acceptable to the Required Commitment  
5 Parties and which shall not be adverse to the interests of the Commitment Parties); Debt  
6 Commitment Letters, Annex B § 14 (conditioning the commitments on the Utility satisfying the  
7 conditions to participate in the Wildfire Fund); Debt Commitment Letters, § 11(iv)(B) (providing  
8 for termination of the commitments if any Plan Supplement or Plan Document that is adverse to  
9 the interests of the Commitment Parties is filed or finalized without the consent of the Required  
10 Commitment Parties); Debt Commitment Letters, § 11(xv) (providing for termination of the  
11 commitments if the Debtors do not receive all necessary CPUC approvals, authorizations and final  
12 orders to implement the Plan and participate in the Wildfire Fund); and Debt Commitment Letters,  
13 § 11 (xvii) (providing for termination of the commitments if the Plan, any Plan Supplement or any  
14 Plan Document is amended, modified or changed without the consent of the Required Commitment  
15 Parties to include a process for transferring the license and operating assets of the Utility to the  
16 state of California or a third party).<sup>4</sup>

17 9. In support of the Plan Funding Motion, the Debtors assert that the Exit Financing  
18 Commitment Letters “*benefit the estates and all stakeholders* by providing assurances of the  
19 Debtors’ ability to fund the distributions contemplated by the Debtors’ Plan and the Debtors’ timely  
20 emergence from chapter 11” and argue the Court should approve the commitments as an exercise  
21 of the Debtors’ sound business judgment. Plan Funding Motion at 8 (emphasis added). That cannot  
22 be the case where the Exit Financing Commitments obligate the Debtors’ estates to incur substantial  
23 fees and expenses to support a plan that does not satisfy AB 1054 and those commitments may not  
24 remain in effect if the Debtor’s Plan is amended to meet the requirements of the statute.

25  
26  
27  
28 <sup>4</sup> The Exit Financing Commitment Letters attempt to mitigate the impact of these provisions by providing throughout that any consent shall not be unreasonably withheld, conditioned, or delayed by the consenting parties. This qualifying language does nothing to address the fundamental issue underlying this Objection because the question is not whether a consent is appropriate, but whether the inevitable but necessary material amendments to the Debtors’ Plan make the commitments effectively illusory or provide a one-way option for the Backstop Commitment Parties.

1           10.     While the Debtors' business judgment is ordinarily entitled to substantial deference,  
2     "in the face of opposition by creditors, the requirement of court approval means the responsibility  
3     ultimately is the court's." *Simantob v. Claims Prosecutor, LLC (In re Lahijani)*, 325 B.R. 282, 288-  
4     89 (9th Cir. BAP 2005). Additionally, while the decision of a debtor-in-possession to obtain  
5     financing commitments is entitled to deference under the business judgment rule, "bankruptcy  
6     courts do not allow terms in financing arrangements that convert the bankruptcy process from one  
7     designed to benefit all creditors to one designed for the unwarranted benefit of the postpetition  
8     lender . . . . Courts look to whether the proposed terms would prejudice the powers and rights the  
9     Code confers for the benefit of all creditors and leverage the Chapter 11 process by granting the  
10    lender excessive control over the debtor or its assets as to unduly prejudice the rights of other parties  
11    in interest." *Resolution Trust Corp. v. Official Unsecured Creditors Comm. (In re Defender Drug*  
12    *Stores, Inc.)*, 145 B.R. 312, 317 (9th Cir. BAP 1992). In this instance, the Court should not afford  
13    Debtors the deference afforded by the business judgment rule as the Exit Financing Commitments  
14    allow the Exit Commitment Parties to walk away from their commitments given extensive  
15    amendments to the Debtors' Plan are inevitable to satisfy the requirements of AB 1054.

16           11.     In addition, the Debtors should not be afforded the deference of the business  
17    judgment rule because the Exit Financing Commitments grant the Exit Commitment Parties  
18    excessive control over the Debtors, hinder the development of other plans (including increasing the  
19    cost of a potential public takeover), and contain provisions that conflict with the December 13  
20    Letter and the requirements of AB 1054. The Court should consider approval of these Exit  
21    Financing Commitments in the overall context of these Chapter 11 Cases. Cases in which the  
22    Debtors, with the support of the shareholder proponents, reconstituted their board of directors with  
23    significant representation from the fund community. Following the reconstitution of the board of  
24    directors, the Debtors and the shareholder proponents entered into restructuring support agreements  
25    that were limited only to plans supported by the shareholder proponents. Now, the Debtors seek the  
26    approval of Exit Financing Commitments that enrich the shareholder proponents who are  
27    participating in the Equity Backstop Commitments while expressly permitting the Equity Backstop  
28    Parties to terminate their commitments if the Debtors' Plan is not acceptable to the shareholder

1 proponents or does not include the shareholder proponents as plan proponents. Therefore, given the  
2 significant influence, involvement and control afforded the shareholder proponents in these Chapter  
3 11 Cases, the Court should carefully scrutinize and evaluate the fairness and appropriateness of the  
4 transactions proposed by the Plan Funding Motion.

5 12. The Governor does not believe that as drafted the Debtors' Plan meets the  
6 requirements of AB 1054, and thus it will not afford the reorganized entity access to the Wildfire  
7 Fund. Without the Wildfire Fund, the Debtors' Plan does not appear to be feasible. As the Governor  
8 has repeatedly made clear, it is essential that upon exit of these Chapter 11 Cases the reorganized  
9 entity be positioned for transformation to provide safe, reliable and affordable power for  
10 Californians.

11 13. For the foregoing reasons, the Plan Funding Motion should either be adjourned until  
12 the Debtors' Plan is amended to be consistent with AB 1054 and it is clear that the relief requested  
13 therein is necessary or appropriate, or the Plan Funding Motion should be denied.

14  
15 Dated: January 22, 2020

**O'MELVENY & MYERS LLP**

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January 14, 2020

Fong Wan  
Senior Vice President, Energy Policy and Procurement  
Pacific Gas & Electric Company  
77 Beale Street  
San Francisco, CA 94105

*via email:* [FXW1@pge.com](mailto:FXW1@pge.com)

Dear Mr. Wan,

Thank you for connecting Sonoma Clean Power (SCP) with Martin Wyspianski to discuss PG&E's RFO for the Microgrids Rulemaking R.19-09-009. That was very helpful. We are excited PG&E is interested in engaging on the important topic of reducing the scale, duration and harm from Public Safety Power Shutoff (PSPS) events.

For five reasons, we believe that the current RFO process is flawed and will not result in the most rapid, least-cost, or least-impact solutions.

First, the RFO provides no analysis or cost estimate of solving the PSPS problems without new generation. Such solutions should involve repairs to grid infrastructure to bring distribution, and in some cases transmission, up to standards which can remain energized through most or all of the expected future high-fire-threat periods. Without having cost and schedule information for repairing and hardening the grid, we cannot accept that large-scale and long-term PSPS events are unavoidable, or that new generating resources are necessary. Having a "clean baseline" cost for a wires-only project also gives everyone a price and a reliability standard to beat when preparing responses to an RFO.

Second, new, long-term gas-fired power generation would likely be subject to long and contentious review for compliance with CEQA, local air quality and noise pollution. Given that one of the proposed substations in our service territory is located within a sensitive wetland habitat area, we believe that such a project might never be approved. For these reasons, we believe that gas-fired solutions are very unlikely to be the most rapid solutions to deploy.



Third, the RFO constrains responses to propose solutions that are located entirely within the footprint of PG&E-controlled property at or near a PG&E substation. Such a restriction prematurely eliminates proposals of resources owned by customers, governments or CCAs. By expanding the area to include resources adjacent to the main circuit path, more space is available, making solar plus storage an option. In addition, the time for permitting non-gas generation is likely to be far faster due to the more limited environmental review and less neighborhood opposition.

Fourth, the RFO does not reference the fact that in CCA territories, any generating resource serving a CCA customer falls within the jurisdiction of the CCA's governing board. We do not dispute PG&E's ability to construct capacity resources or resources to serve bundled customers. However, the law is clear that a CCA has jurisdiction of energy resources that serve CCA customers. Because these are effectively distribution resources since they are necessary for PG&E to have the capability to deliver energy, they appear to also fall under CPUC jurisdiction. We therefore pledge to work together in a collaborative way to fulfill this important need.

Fifth, PG&E's commitment to pursuing this RFO appears contingent upon two favorable conditions: 1) PG&E being granted credit towards existing Integrated Resource Planning (IRP) requirements, and, 2) PG&E being able to install utility-owned-generation which increases shareholder returns. PG&E should explicitly state whether they remain committed to alleviating PSPS impacts through this RFO in the scenario where they are not granted IRP credit, and/or are not permitted to generate additional income for shareholders. SCP is not opposed to resiliency resources being granted IRP credit, but if we are going to consider partnering with PG&E on this RFO we need a clear understanding of PG&E's motivations.

Finally, it's important to know that a broad range of local governments in Sonoma County have convened the Sonoma County Resilience Advisory Panel, which is actively developing policy for the full range of community protections from PSPS events. A description of this work is attached.

For these reasons, SCP asks PG&E to replace the current process with a new joint RFO together with SCP that addresses each of these issues and seeks a more rapid solution to the urgent problem of PSPS events.

I am happy to meet with you to aid in developing this RFO, and look forward to engaging further soon.

Sincerely,

A handwritten signature in black ink, appearing to read "Geof Syphers", with a stylized, looping flourish at the end.

Geof Syphers, CEO



## **Sonoma County Resilience Advisory Panel**

The Sonoma County Resilience Advisory Panel is currently developing strategies and policies for energy reliability and security as part of Sonoma County's Recovery and Resiliency Framework.

With support from the Kresge Foundation, the Sonoma County Regional Climate Protection Authority, City of Santa Rosa, County of Sonoma and Sonoma Clean Power have convened a Sonoma County Resilience Advisory Panel. The purpose is to assess land use, development, and electrical grid strategies and implement actions and propose new regional and state policies in relation to community preparedness and wildfire resilience.

This process will result in proposed new regional policies such as:

- Preferred solutions for reducing the frequency, duration and harm from Public Safety Power Shutoff (PSPS) events, including an orderly transition with immediate, mid-term, and long-term actions to return to a safe and reliable grid.
- Preferred resources for local electric energy generation used for back-up power.
- Actions and policies to protect the most vulnerable from PSPS events.
- Changes in local land use zoning designed to reduce future development in areas with high fire threat.
- Changes to local government franchise agreements for utility distribution service.

Wildfires are an increasing concern across California. The state has recently experienced longer periods of low humidity and high temperatures, which increase vulnerability to wildfires. The average fire season has increased by 78 days over the last 40 years, with "fire season" taking up most of the year in some parts of the state. More than 25 million acres of California wildlands are classified under very high or extreme fire threat, and approximately 25 percent of the state's population—11 million people—lives in that high-risk area. Development patterns are also exacerbating the problem. The number of homes in the wildland urban interface has increased by about 70% since 1960. Land use and circulation plans do not always include effective evacuation plans—some communities in California have only one or two means of escape with as many as 800 households per exit point.

Over the last few years, wildfires have caused tremendous damage to life, infrastructure, and property in Sonoma County. The October 2017 Northern California Wildfires caused more than \$9.4 billion in damages and killed forty-four people. After the 2017 wildfires, Sonoma County residents and agencies undertook a significant recovery effort that focused on rebuilding to meet critical housing needs and improving emergency notification and response procedures.

In the fall of 2019, PG&E de-energized the grid through widespread PSPS to decrease the risk of starting new wildfires. These efforts were not enough to prevent the ignition of the Kincade Fire on October 23, 2019. This wildfire burned 76,825 acres by October 30 and destroyed 206 structures, including the loss of 94 homes. Almost 200,000 Sonoma County residents were under mandatory evacuation orders during the Kincade Fire.

At the same time that the threat of wildfires is impacting energy grid reliability, the County and its nine cities must meet both state and local climate mitigation mandates. To meet these goals, they are shifting from fossil fuels to renewable energy sources, and enacting policies and programs to increase

electrification of buildings and transportation. The 2014 launch of Sonoma Clean Power, the county's community choice aggregator, was a significant step toward this shift. It enabled a majority of local homes, businesses, and municipalities to rapidly move to clean, renewable energy, more than double the rate of electric vehicle adoption and operate over 20 unique customer programs in fuel switching and demand response, never before offered by an electric utility in California.

In response to the severe impacts of recent PSPS events and growing public pressure for alternatives to PG&E ownership of the energy grid, Sonoma Clean Power's governing Board of Directors recently ordered staff to investigate how a transition to a customer-owned electric utility could happen.

Finally, the frequency and magnitude of wildfires and de-energization events are negatively affecting Sonoma County's economy. The county and cities are investing more of their limited budgets in emergency management and response. Key industries such as tourism are experiencing declines in consumer demand. De-energization events are affecting local schools by forcing them to close, reducing the number of educational hours provided to students and straining local budgets.

Given current and forecasted climate conditions, wildfires will continue to be a significant risk for Sonoma County. Buildings and transportation systems must become more resilient to wildfires. De-energization as a wildfire prevention strategy will continue to pose threats to human health and safety if we do not create more resilient sources of electricity. As we shift away from fossil fuel use, we are becoming more dependent on electricity to power our buildings and transportation systems. Sonoma County is therefore developing a comprehensive strategy to plan, fund, and implement effective responses to these increased risks.

The Resilience Advisory Services Panel is addressing the following key questions:

#### Planning and Investing for Grid Resilience

- How can Sonoma County advance energy grid resilience and improve reliability and economic resilience during future extreme heat, de-energization, and wildfire events that may be longer than past events?
- What specific investments in public infrastructure can occur to better prepare us for future increased electricity loads as we transition from fossil fuels to electricity?
- What land use and development strategies should we adopt to make it easier to develop local renewable energy and storage?
- What actions should the electric distribution utility take to isolate high fire threat areas, segment circuits and reconductor to alternate substations before generation resources and microgrids are planned?
- What opportunities do the ~200 MW of customer-owned generating resources and over 3,600 EVSEs SCP has under auto-DR dispatch represent? Given the approximately \$100 million of incentives planned for DERs in Sonoma County over the next five years, what additional opportunities can be created?

#### Land Use and Development for Wildfire Resilience

- How can land use and development patterns address current risks and set the foundation to meet the predicted increased lengths of fire season and power shut offs?
- What land use and development policies/programs can we use to support successful (including efficient and equitable) short-term recovery after wildfire events?

- What land use and development strategies can we implement to help maintain or increase residents' day-to-day quality of life and continue to improve options for safe and high-quality housing and transportation during a) evacuations and b) shelter-in-place events?

#### Equitable Governance, Partnerships, and Funding

- How do we ensure our approach to mitigate health and safety risks and economic disruptions posed by periods of de-energization addresses our most vulnerable populations? Have we correctly identified critical infrastructure and vulnerable populations?
- How can we ensure that infrastructural investment decisions are transparent and equitable? What examples of other communities' engagement, coordination, and decision-making can we learn from and apply?
- Recognizing that energy and wildfire risks are regional in nature, what best practices can Sonoma County implement and coordinate with surrounding jurisdictions to ensure that the resilient land use and development changes we implement enable better outcomes.
- How can we initiate or expand existing partnerships (especially with the private sector) to implement the above resilience strategies?
- What can we do now and in the near-term future to establish a) revenue sources to dedicate to this grid and wildfire resilience work and b) to maximize the impact of that funding?

#### **Background on current recovery and resilience strategy**

Following the 2017 Sonoma County Complex Fires and the destruction of 5,300 homes, Sonoma County staff and officials work tirelessly to recover and increase our capacity to respond to future fires and other disasters. As part of this effort, Sonoma County created the Office of Recovery and Resiliency (ORR). The County Board of Supervisors approved the Recovery and Resiliency Framework developed by ORR in collaboration with a diverse group of departments, jurisdictions and community stakeholders, to serve as a vision and approach for how Sonoma County will recover and emerge more resilient from the October 2017 Wildfires.

The Framework draws from the structure, functions, roles, and principles in the Federal Emergency Management Agency's National Disaster Recovery Framework and focuses on five key strategic areas:

1. Community preparedness and infrastructure
2. Housing
3. Economy
4. Safety Net Services
5. Natural Resources

To achieve a vision of a housing market that is in balance, climate smart, affordable, equitable, and that encourages diversity, the County is embracing a new regional approach to produce 30,000 new housing units by 2023.

**Steps taken include:**

- Renewal Enterprise District (RED)
  - RED is a partnership between the County and City of Santa Rosa to provide financing and regulatory certainty for housing projects and supportive infrastructure within targeted development areas of Sonoma County. Both the Board of Supervisors and the City Council authorized moving forward with development of a Joint Powers Authority (JPA) to establish the RED.
  - RED seeks to regionalize housing production, pool and leverage financing and funding, share risks and benefits of development in new ways, streamline environmental review while providing confidence in good projects, and put equity, affordability and climate solutions in the center of our local economic strategies. RED will build on existing regional planning efforts, and focus its regulatory and financial incentives on developments within locally designated employment investment and priority development areas.
- Rebuilding permits
  - County has issued 653 building permits for homes as of November 5; 229 permits are in process; 19 homes have been finished. For latest numbers, go to <http://sonomacounty.ca.gov/PRMD/Administration/Rebuilding-Permits-Data/>
  - City of Santa Rosa has issued 1,046 building permits for homes as of November 5; 258 permits are in process; 43 homes have been finished. For latest numbers, go to <https://www.srcity.org/2675/Rebuilding>
  - The County opened a Resiliency Permit Center next to Permit Sonoma that is devoted to helping those who are rebuilding from the fires get building permits as quickly as possible. The center handled 6,000-plus calls and had 6,000-plus visitors in the first three quarters of 2018.
- Action by Supervisors

On May 7, 2018, the Board of Supervisors approved the following Phase I zoning code changes intended to reduce constraints to developing housing:

  - Increased the maximum size of accessory dwelling units (second units) to 1,200 square feet.
  - Increased the allowable residential floor area in mixed-use projects from 50 percent to 80 percent.
  - Delayed collection of fees until near occupancy.
  - Allowed small single room occupancy (SRO) projects as a permitted use and removed the existing 30-room limit for larger SRO projects.
  - Allowed transitional and supportive housing in all zoning districts that allow single-family dwellings.

On October 23, 2018, the Board of Supervisors approved the following Phase II zoning code changes intended to reduce constraints to developing housing:

- Established a new housing type, Cottage Housing Developments, in urban service areas zoned for low- and medium-density residential uses (R1 and R2).
- Simplify development standards for multi-family housing projects, including allowing the use of a new density unit equivalent standard to encourage development of smaller units.
- Established a new Workforce Housing Combining District to allow higher density housing near jobs and transit.
- Codified the existing policy regarding conversion of existing apartments to condominiums.
- Provided better protections for mobile homeowners and renters within mobile home parks. The amendments specify that the ordinance applies when a park owner converts the park from a rental park to an ownership park.

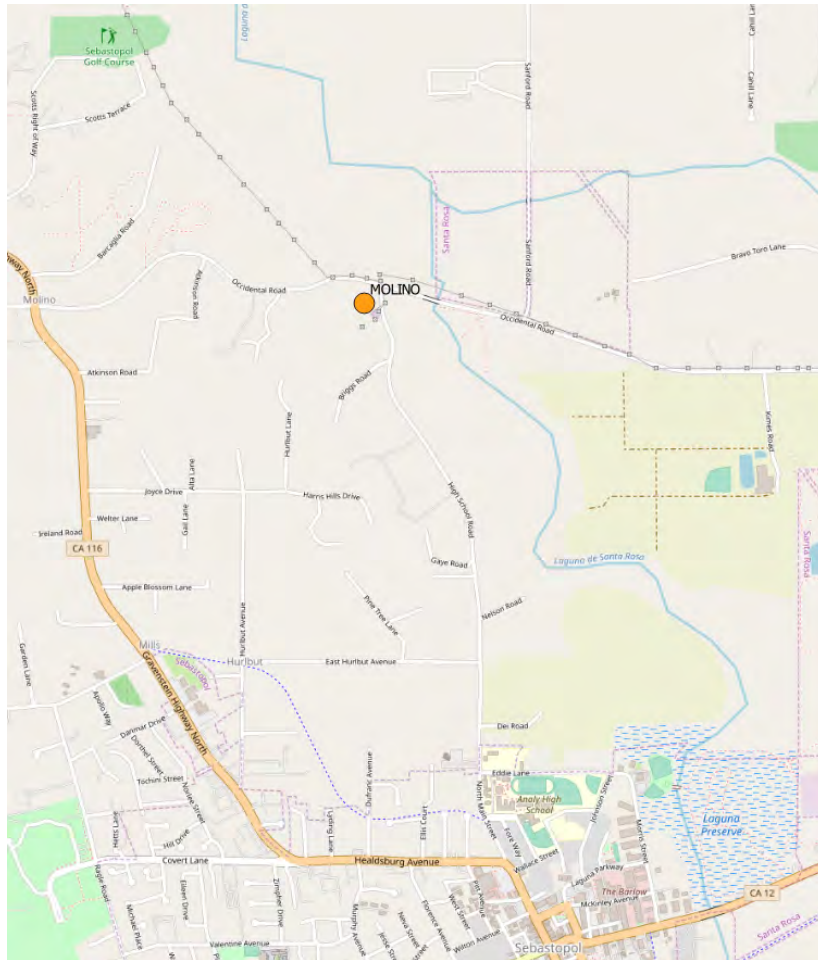
#### Actions by Sonoma Clean Power

- Created the Advanced Energy Rebuild in partnership with PG&E and BAAQMD, which has funded the incremental cost of reconstructing burned homes to an extremely high standard of efficiency, using renewable energy 24/7, and phasing out the use of natural gas.
- In process of constructing a 10,000 square foot Advanced Energy Center in downtown Santa Rosa in partnership with the California Energy Commission to showcase 30+ all-electric technologies, host classes for homeowners, architects, contractors and engineers in zero carbon homes, provide technology and advice on reducing the impact of PSPS events using clean energy, and provide instant access to all available incentives with zero percent on-bill financing for retrofits that decarbonize homes.
- Created a grid analysis team to propose wires-based solutions to minimize the number of customers affected by PSPS events, and to advise customers on both back-up power system options and microgrid options.
- Advanced a “wires alternative” to the Oakmont microgrid project as a means of accelerating relief from PSPS events and reduce the cost of the project. By reconductoring a portion of the community to a substation located outside the Tier 2 fire threat area, the retirement community may be able to avoid shutoffs in most cases.
- Established a dialog with local municipal utilities on transmission alternatives, the formation process of municipal utilities and rural electric cooperatives.

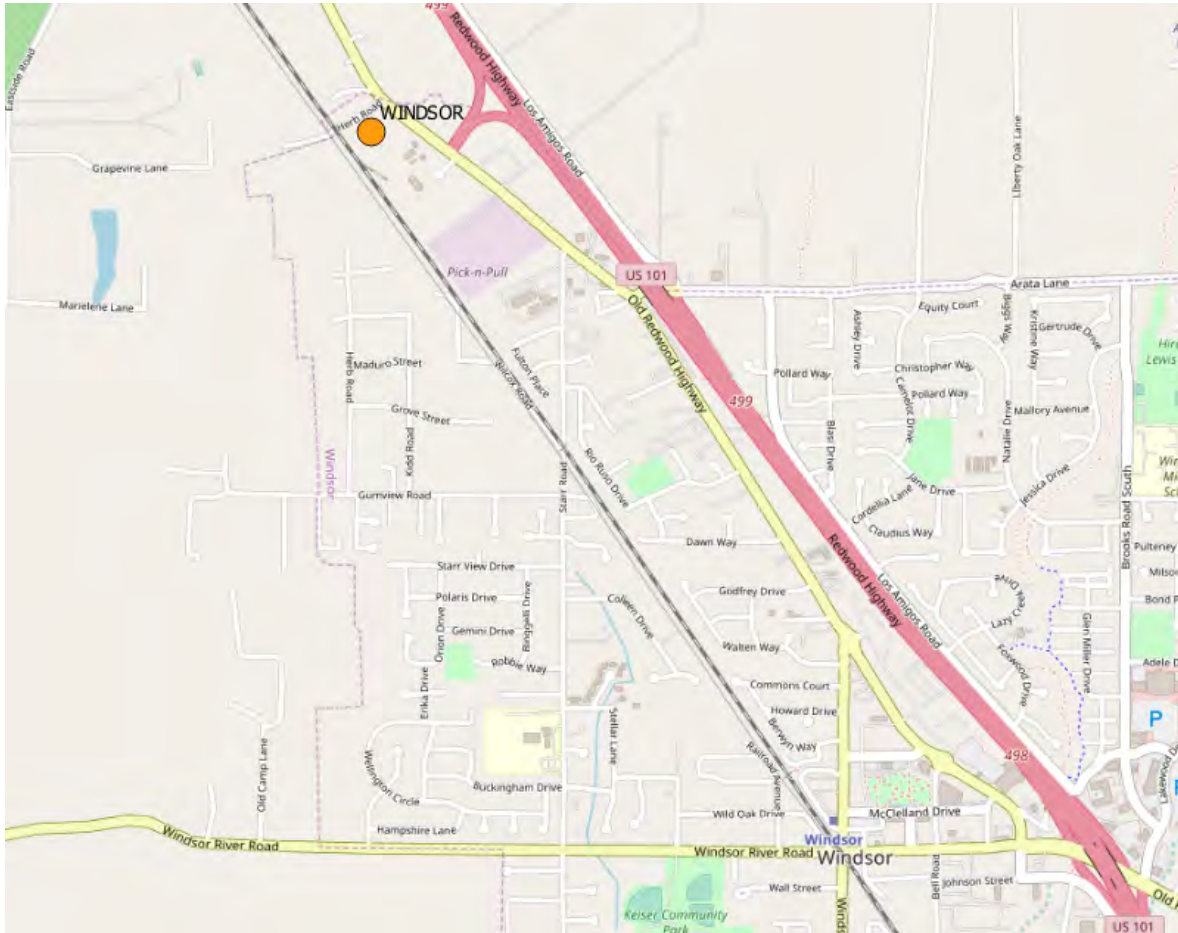
#### Other steps

- Mapped 4,952 fire damaged properties, validated parcel data to expedite the Right of Entry process for debris removal, and collected field data to track progress of clearing.

- Free energy rebuilding consultations are offered by the County’s Energy and Sustainability Division of General Services.  
<https://sonomacounty.ca.gov/General-Services/Energy-and-Sustainability/Consulting-and-Project-Planning/>
- Energy and Sustainability is facilitating climate positive construction techniques for rebuilding homes through consultation and project planning assistance.
- Property Assessed Clean Energy financing now available for fire recovery housing.  
<https://sonomacounty.ca.gov/General-Services/Energy-and-Sustainability/Financing-and-Rebates/>
- The Bay Area Council (BAC) is a business-sponsored, public policy advocacy organization for the nine-county Bay Area. BAC is working with the County to develop regional policy recommendations, data, and key indicators to assist with the rebuilding efforts.
- CASA (MTC/ABAG) is the Committee to House the Bay Area, a diverse, multi-sector set of partners in the Bay Area who are developing a report to identify and act upon regional solutions to the Bay Area’s chronic housing affordability challenges. The County is working with CASA to collaborate around the three primary concerns of CASA: how to increase the production of housing, particularly affordable housing; how to ensure the preservation of the existing affordable housing stock; and how to ensure the protection of current residents against displacement pressures that arise from new construction.
- Exploring housing opportunities on County-owned properties.

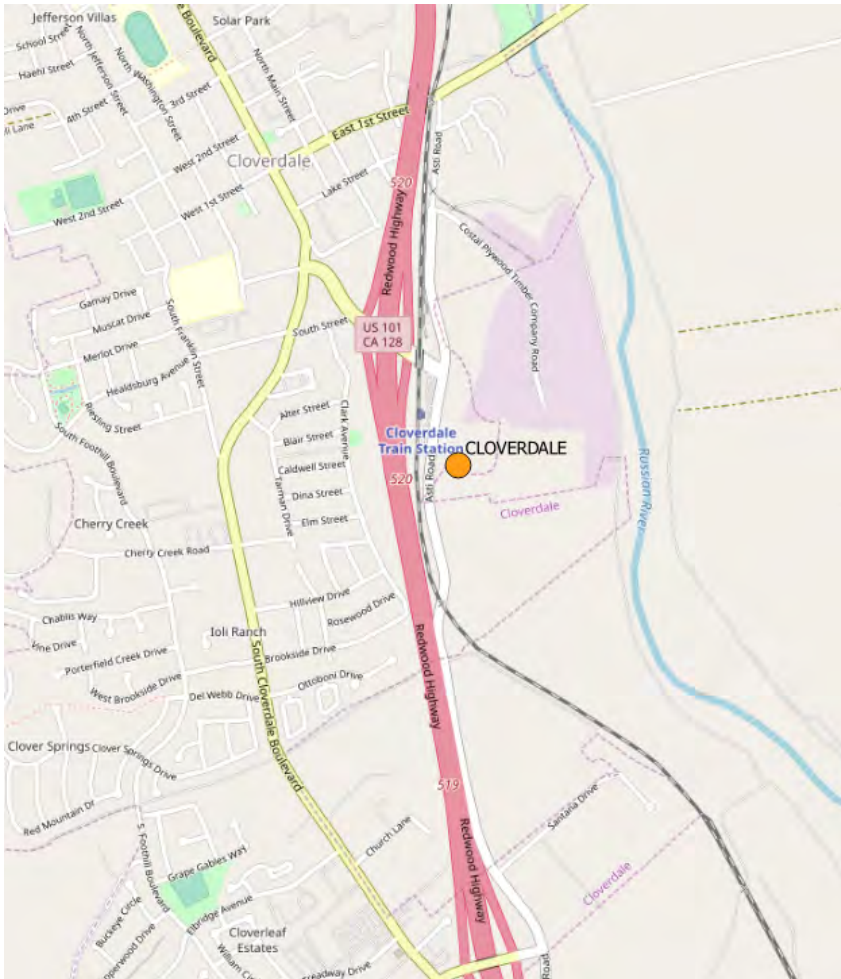


**MOLINO SUBSTATION**  
1703 High School Road, Sebastopol, CA

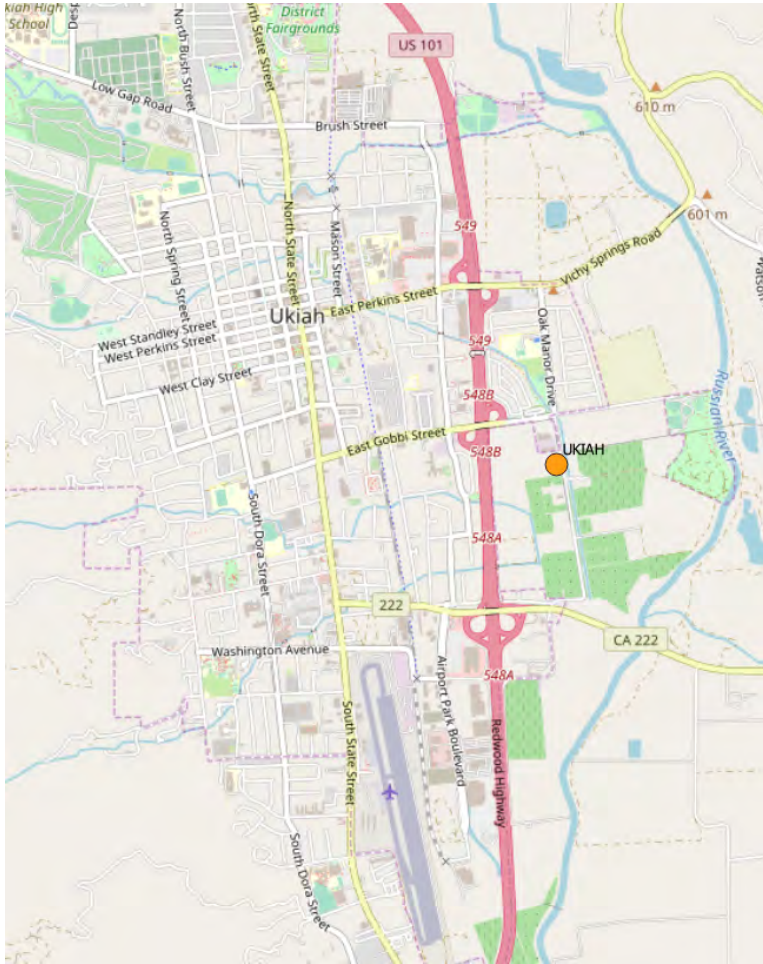


**WINDSOR SUBSTATION**  
10789 Old Redwood Hwy, Windsor, CA

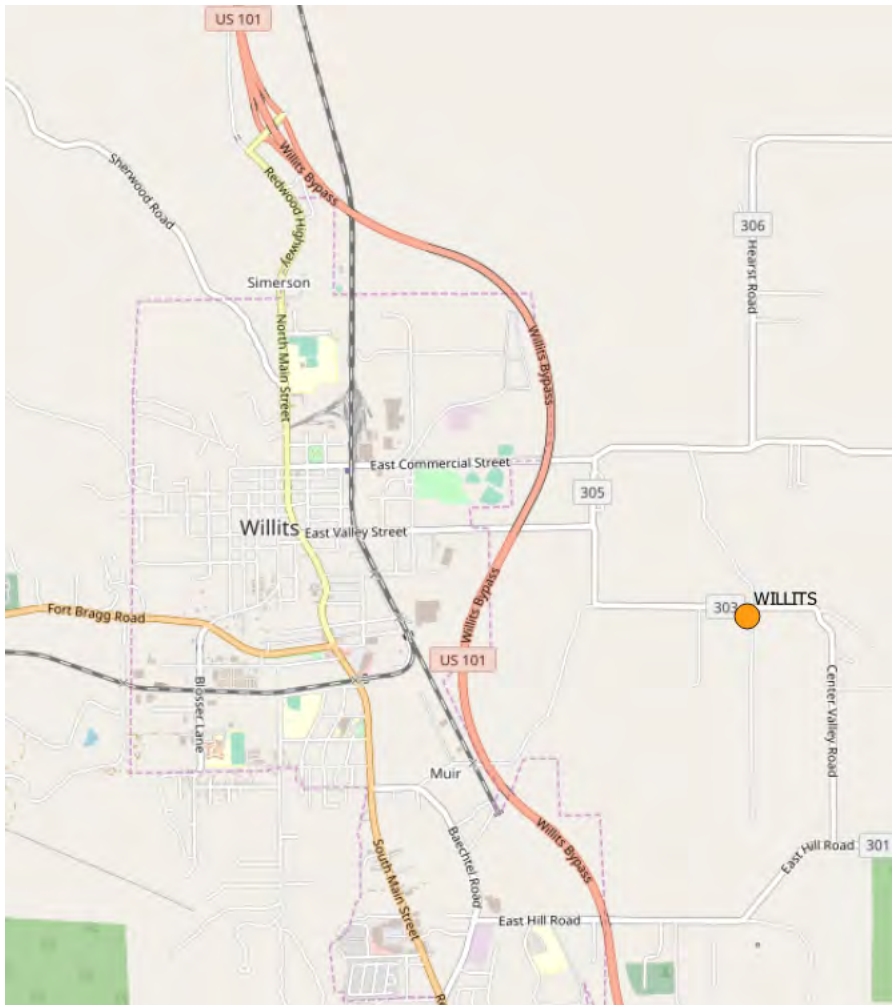




**CLOVERDALE SUBSTATION**  
150 Asti Rd, Cloverdale, CA

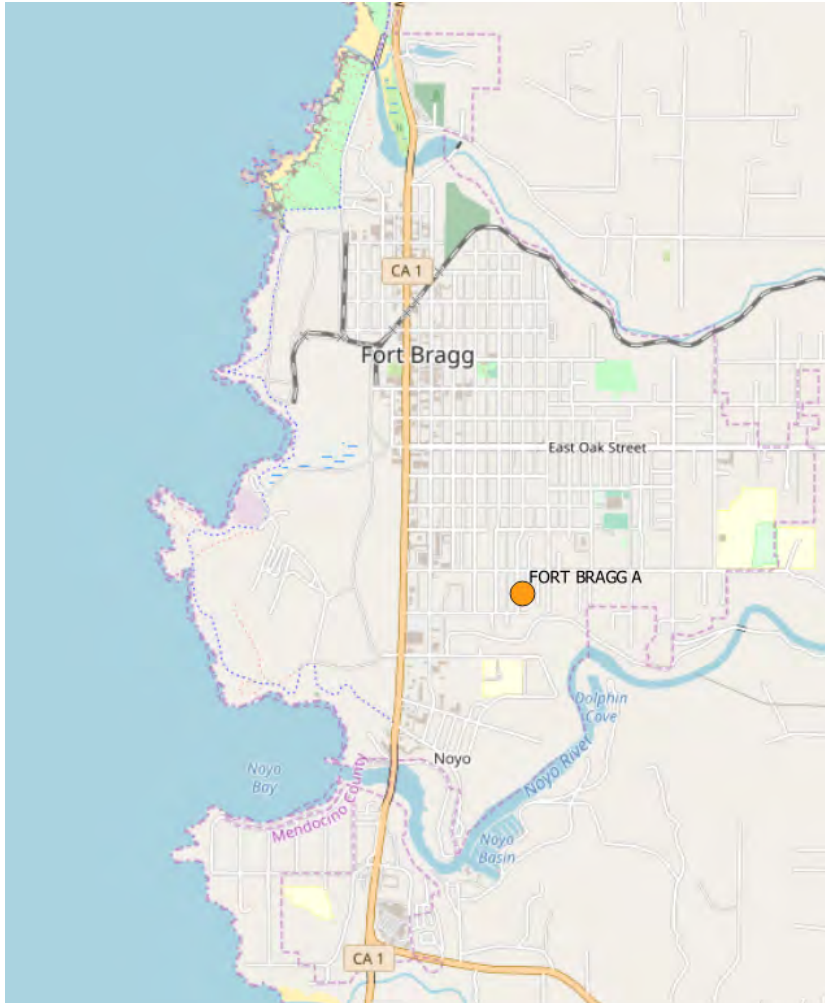


**UKIAH SUBSTATION**  
700 Babcock Ln, Ukiah, CA

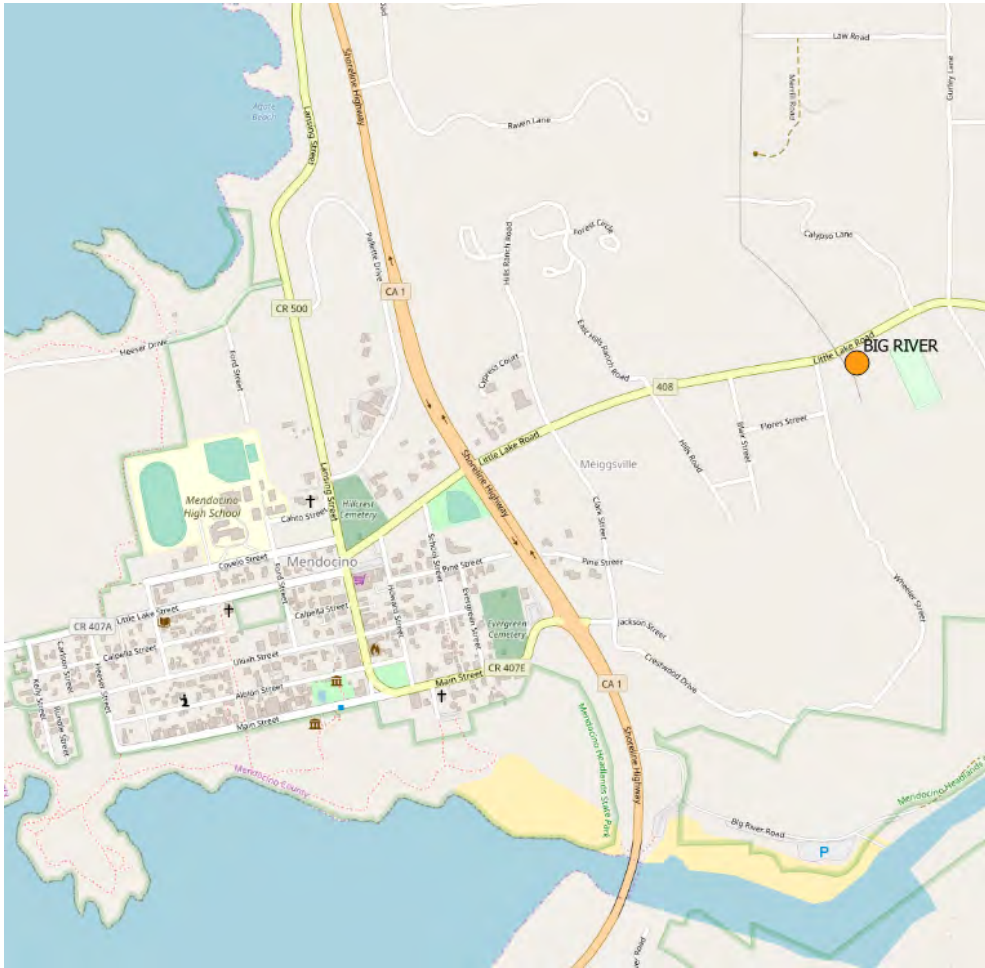


## **WILLITS SUBSTATION**

1742 Center Valley Rd, Willits, CA



**FORT BRAGG A SUBSTATION**  
198 Grove St, Fort Bragg, CA



## BIG RIVER SUBSTATION

44325 Little Lake Rd, Mendocino, CA



January 24, 2020

Geof Syphers  
CEO  
Sonoma Clean Power  
50 Santa Rose Ave., 5<sup>th</sup> Floor  
Santa Rosa, CA 95404

Dear Mr. Syphers,

I am writing in response to your letter dated January 14, 2020, in which you outline Sonoma Clean Power's (SCP) concerns regarding PG&E's request for offers (RFO) to develop Distributed Generation-Enabled Microgrids Services (DGEMS) at certain prioritized substations, including a request that PG&E cancel this RFO.

PG&E continues its commitment to working collaboratively with SCP and other local stakeholders on these important and urgent projects. Our intent is that any DGEMS would reduce the number of customers impacted by future Public Safety Power Shutoff (PSPS) events. DGEMS are specifically targeted at providing reliable electricity to customers in safe-to-energize areas that may be impacted by upstream transmission line outages. We understand that SCP strongly supports aggressive steps to reduce the scope and impact of future PSPS events through various efforts, including customer, government, and Community Choice Aggregator (CCA) solutions.

PG&E has an ambitious goal of implementing DGEMS before September 2020. We acknowledge that this is a compressed timeline, but PG&E has committed to work in parallel with counties, cities, and CCAs on these potential solutions.

Although we address the points in your letter below, our ongoing discussions are the best place to attempt to resolve these important issues. Representatives from my team are planning to visit your office in the coming days. Additionally, PG&E has also provided details on DGEMS and its other PSPS mitigation work as part of the proposal filed on January 21, 2020 in Track 1 of the Microgrid Rulemaking (R.19-09-009) which can be found here: <http://pgera.azurewebsites.net/Regulation/ValidateDocAccess?docID=592849>.

#### *1. Other Non-generation PSPS Mitigation Activities*

In addition to the DGEMS RFO, PG&E is pursuing a variety of PSPS mitigation activities that can reduce the need for transmission line outages during future PSPS events, including:

- Targeted system hardening
- Transmission line switching
- Transmission line exclusion from PSPS events through targeted work as well as improved meteorology and fuels modeling

More information on these activities will be disclosed in PG&E's Wildfire Mitigation Plan to be filed with the California Public Utilities Commission (CPUC) in the coming weeks. PG&E will be sharing additional details about PSPS mitigation activities underway in SCP's service territory.

Despite this work, transmission line outages may still be needed during PSPS events due to proximity to active wildfires and/or the presence of extreme wildfire threat conditions.

### *1. DGEMS RFO*

The DGEMS RFO was open to receive offers for *both* third-party owned and utility-owned energy resources. PG&E remains committed to mitigating PSPS events through the deployment of DGEMS, where feasible, regardless of whether they are owned by a third party or by PG&E.

The DGEMS RFO was open to bids from all types of generation and hybrid (storage) resources. However, it is true that partial or fully gas-fired resources are more likely to meet the technical requirements for PSPS mitigation contained in the RFO. These technical requirements are based on a review of past PSPS events, which suggest that future events are likely to last for multiple days and may occur consecutively, thereby extending further the durational requirement for back-up generation. Bids for the DGEMS RFO were due on January 15, 2020 and are currently under review. As needed, PG&E and any third-party project developers will work with local and state regulatory bodies to address permitting for DGEMS.

In anticipation that the DGEMS RFO bids will propose gas-fired resources, PG&E released a Biomethane RFO on January 10, 2020. Bids for the Biomethane RFO are due on January 31, 2020. For information or questions on the 2020 Biomethane RFO, please email: [BiomethaneRFO@pge.com](mailto:BiomethaneRFO@pge.com) with a copy to the Independent Evaluator (IE), Wayne Oliver of Merrimack Energy at [MerrimackIE@merrimackenergy.com](mailto:MerrimackIE@merrimackenergy.com).

### *2. Role of Local Government, CCA, and Customer Solutions*

PG&E agrees that local government, CCAs, and customer solutions have an important role to play in mitigating the impacts of future PSPS events for our customers. PG&E supports CCAs' efforts to procure generation for their own customers.

In its recent testimony in Track 1 of the Microgrid Rulemaking at the CPUC, PG&E proposed a Community Microgrid Enablement Program (CMEP). Through this new program, PG&E will work with local communities to identify and build multi-customer microgrids serving critical facilities and/or vulnerable customers not already served by DGEMS or other solutions offered by PG&E. PG&E is also working to provide funding for customer batteries through the Self Generation Incentive Program (SGIP).

### *3. Concerns about Serving CCA Customers*

PG&E recognizes that a significant number of the substations identified as candidates for DGEMS are within CCA service areas. To meet our shared objectives with CCAs for mitigating near-term PSPS impacts, we need to work together under CPUC guidance and with input from all stakeholders.

PG&E encouraged CCAs to bid into the DGEMS RFO. Alternatively, PG&E is willing to work with SCP or other interested CCAs to allow the local CCA with substations in their service territory to consider involvement in third party DGEMS contracts for generation. PG&E's preference is that CCAs provide energy to their own customers during PSPS events.

To the extent SCP does not pursue these two possibilities, we will explore options to address your concerns about PG&E supplying energy to CCA customers when DGEMS operate in islanded conditions. PG&E's work with Redwood Coast Energy Authority (RECA) on a community level microgrid might offer a model for collaboration and coordination. We look forward to discussing our ideas with you.

I look forward to further collaborative discussions and input from SCP and other stakeholders.

Sincerely,



Fong Wan  
Senior Vice President  
Energy Policy and Procurement

cc: Commissioner Genevieve Shiroma  
Commissioner Liane Randolph  
ALJ Colin Rizzo  
ALJ Julie Fitch  
Edward Randolph, CPUC  
The Official Service Lists for:  
R.19-09-009 (Microgrids and Resiliency Strategies)  
R.16-02-007 (Integrated Resource Plan)  
R.18-10-007 (Wildfire Mitigation Plan)





## **Staff Report - Item 07**

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**To: Sonoma Clean Power Authority Board of Directors**  
**From: Cordel Stillman, Director of Programs**  
**Issue: Receive Strategic Action Plan Update**  
**Date: February 6, 2020**

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### **Recommendation**

Receive the Program's Section's Strategic Action Plan (Plan) and provide feedback to staff.

### **Background**

Every six months, the Programs Section updates its Plan to reflect progress made on existing programs. The update also tracks the addition of new programs and the retirement of existing programs.

### **Discussion**

This Plan highlights some significant changes since the last update. Among others, the following programs have been retired;

- 1) Support Solar Sonoma County
- 2) Demand Charge Reduction Program
- 3) Add Battery Storage to SCP's ProFIT Program

The following programs have been added;

- 1) Advanced Energy Build
- 2) Battery Incentive Program
- 3) SGIP Assistance

- 4) PSPS Assistance
- 5) Others listed in the Plan

### **Fiscal Impact**

There are no fiscal impacts related to this particular item. Budgeting for individual programs is accomplished through our annual budget process, or through mid-year budget adjustments.

### **Community Advisory Committee Review**

The Plan was presented to the CAC for review and input. A discussion followed and broad support for the updated content was given.

### **Attachments**

Attachment A – Strategic Action Plan, 1-30-2020.



## **Programs Division Strategic Action Plan**

Updated January 30, 2020

## Table of Contents

Acronyms.....	3
Executive Summary .....	5
Significant Progress .....	6
New Programs.....	8
Discontinued Programs .....	9
Program Strategies and Levels of Action .....	10
Program Strategy One .....	11
Promote the Use of Electric Vehicles in Transportation .....	11
Program Strategy Two.....	15
Promote Fuel Switching in New and Existing Building Stock.....	15
Program Strategy Three.....	18
Identify and Apply for External Funding to Support Programs.....	18
Program Strategy Four .....	19
Promote the Aggregation of Loads and Resources.....	19
Program Strategy Five.....	20
Support the Integration of Distributed Energy Resources in SCP's Territory .....	20
Program Strategy Six .....	22
Support the Transition to Carbon Free Building Codes and Practices .....	22
Program Strategy Seven .....	24
Test and Evaluate the Use of New Technologies .....	24
Program Strategy Eight.....	25
Promote Public Education Involving Energy Efficiency, Fuel Switching, and Electric Vehicles.....	25
Summary of Actions .....	27

## **Acronyms**

**AER** – Advanced Energy Rebuild Program  
**BAAQMD** – Bay Area Air Quality Management District  
**BayREN** – Bay Area Regional Energy Network  
**CAISO** – California Independent System Operator  
**CALeVIP** – California Electric Vehicle Infrastructure Project  
**CCP** – Center for Climate Protection  
**CEC** – California Energy Commission  
**CPUC** – California Public Utilities Commission  
**CSE** – Center for Sustainable Energy  
**CTE** – Career Technical Education Foundation  
**DCFC** – Direct Current Fast Charger  
**DIY** – Do-It-Yourself  
**DNV-GL** – An energy efficiency consultant  
**DOE** – United States Department of Energy  
**DRRS** – Demand Response Reporting System  
**EM&V** – Evaluation, Measurement and Verification  
**eMW** – Electric Motor Werks  
**EV** – Electric Vehicle  
**EVSE** – Electric Vehicle Supply Equipment (i.e. charging stations)  
**FY** – Fiscal Year (July-June)  
**GHG** – Greenhouse Gasses  
**HPWH** – Heat Pump Water Heater  
**HVAC** – Heating, Ventilation and Air Conditioning  
**JPA** – Joint Powers Authority  
**LCFS** – Low Carbon Fuel Standard  
**MCAQMD** – Mendocino County Air Quality Management District  
**MCE** – MCE Clean Energy  
**MW** – Megawatt

**NEM** – Net Energy Metering

**NRDC** – Natural Resources Defense Council

**NSCAPCD** –Northern Sonoma County Air Pollution Control District

**PG&E** – Pacific Gas and Electric

**PSPS** – Public Safety Power Shutoff

**RPCA** – Regional Climate Protection Authority

**RFI** – Request for Information

**SCP** – Sonoma Clean Power

**SCTA** – Sonoma County Transportation Authority

**SGIP** – Self Generation Incentive Program

**TNC** – Transportation Network Company (*e.g. Uber, Lyft*)

## **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 of achieving the goals of the JPA and providing local economic stimulus. 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 GridSavvy program has resulted in the shipment of 2,982 (as of 1/03/20) electric vehicle charging stations to SCP customers and is the genesis of a locally controlled demand response program.
- 2) 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, with over 866 checkouts (*as of 1/09/20*) since inception in November 2016.
- 3) The Education Program for Schools in partnership with Sonoma Water was initiated in the Fall of 2017. A contract to continue the program through FY 20/21 was approved by SCP's Board.
- 4) Induction Cooktop Experience, a program that loans portable electric induction cooktops to customers, has seen 183 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. Daily Acts has started lending cooktops from their headquarters in Petaluma. Staff are investigating options for other loaning locations in north Sonoma County and in Mendocino County.
- 5) A program to incentivize the purchase of EV's by local non-profits has resulted in 10 EV's being placed and 2 non-profits under contract searching for an EV (as of 12/31/19).
- 6) The Advanced Energy Rebuild program has been created in cooperation with PG&E and the BAAQMD to incentivize those rebuilding their homes after the 2017 fires to do so in an energy efficient manner. To date we have had 246 applications (as of 12/31/19) to the program. Although the SCP program ended 12/31/19, staff will continue to support people rebuilding their homes if they were permitted under the 2016 building code. Homes being permitted under the 2019 code are eligible for PG&E's continuing re-building program.
- 7) SCP was awarded a \$9.8M grant from the CEC to promote energy efficiency in the residential built environment. SCP is required to provide \$3.3M in matching funds for a program total of \$13.1M. We have begun the research phase of the grant and installations of monitoring equipment in 15 residential homes have been completed. Additionally, we have leased a store in downtown Santa Rosa to house the marketplace (The



Advanced Energy Center) envisioned by the grant. Construction on improvements to the space have begun.

- 8) SCP was awarded a \$5.1M grant from the CEC to increase the number of car charging stations in SCP territory. SCP has agreed to provide \$1.5M over three years as the local match funds for the grant. Activation of the funding is expected in October of 2020.
- 9) SCP completed analyses of four public transit operations in SCP territory in their effort to electrify their bus fleets.

## **New Programs**

SCP is including the following new activities in the plan:

- 1) **Advanced Energy Build** - With PG&E taking over the Advanced Energy Rebuild Program, SCP staff are planning to implement the Advanced Energy Build Program which would provide similar, but lower incentives to new single-family development.
- 2) **Battery Incentive Program** - Investigate the potential for a residential battery storage program.
- 3) **SGIP Assistance** - SCP will be piloting a program to assist battery installers with applications to and reimbursements from the Self Generation Incentive Program (SGIP)
- 4) **PSPS Assistance** - Provide assistance to commercial and industrial customers in understanding and preparing for PSPS events.
- 5) **School Bus Program** - Staff are researching how SCP may be of assistance to local school bus operators in switching to electric buses.
- 6) **Reach Codes** - Assist member jurisdictions with the implementation of building “reach” codes that help reduce greenhouse gas emissions.
- 7) **E-bike Incentive** - Investigate the potential for an incentive towards the purchase of E-bikes.
- 8) **Carbon Sequestration** - Investigate potential strategies that allow for meaningful sequestration of carbon.
- 9) **Low GHG Agriculture** - Exploring programs and strategies for low GHG agriculture.
- 10) **Investigate Vehicle-to-Building technologies:** - Investigate potential programs to allow electric vehicles to provide backup power to buildings through vehicle-to-building technologies.

## **Discontinued Programs**

Discontinued programs are programs that were initiated as a pilot and were either not successful, or successful enough to jumpstart market transformation.

- 1) **Support Solar Sonoma County:** The Center for Climate Protection decided to terminate its management of Solar Sonoma County.
- 2) **Demand Charge Reduction Program:** After nearly two years of trying to interest SCP's commercial customers in battery systems to reduce demand charges, staff have determined that there is not an appetite for this program.
- 3) **Interface with the CPUC and Stakeholders on Review of the Three-Prong Test:** The CPUC has eliminated the 3-prong test in the evaluation of programs for energy and fuel switching using public good funds.
- 4) **Working with each SCP jurisdiction to identify the most likely locations for Level 3 charging stations:** This program was rolled into the CALeVIP effort.
- 5) **Investigate Expansion of Free Charging Station Program to Multifamily Properties:** With the future launch of CALeVIP, multifamily properties will be eligible to apply for fund to install charging stations.
- 6) **Add Battery Storage to SCP's ProFIT Program:** ProFIT was transferred to the purview of the Procurement team. They are best equipped to explore adding battery storage to the ProFIT systems.

## **Program Strategies and Levels of Action**

This plan identifies eight program strategies:

- Program Strategy 1.** Promote the Use of Electric Vehicles in Transportation
- Program Strategy 2.** Promote Fuel Switching in New and Existing Building Stock
- Program Strategy 3.** Identify and Apply for External Funding to Support Programs
- Program Strategy 4.** Promote the Aggregation of Loads and Resources
- Program Strategy 5.** Support the Integration of Distributed Energy Resources in SCP's Territory
- Program Strategy 6.** Support the Transition to Carbon Free Building Codes and Practices
- Program Strategy 7.** Test and Evaluate the Use of New Technologies
- Program Strategy 8.** Promote Public Education Involving Energy Efficiency and Fuel Switching

This plan identifies three levels of action:

<b>Immediate Action</b>	<b>Near-Term Action</b>	<b>Long-term Action</b>
Ongoing or to be initiated within the next year.	To be initiated within one to three years.	No defined start date for action, likely longer than three years.
<ul style="list-style-type: none"> <li>1. Required by regulatory or other deadlines;</li> <li>2. Other strategies or actions are dependent on outcome;</li> <li>3. Achievable in the near-term; and</li> <li>4. Funding and resources are available.</li> </ul>	<ul style="list-style-type: none"> <li>5. Actively exploring;</li> <li>6. Anticipated, yet not immediate, deadline;</li> <li>7. Funding is proposed; and</li> <li>8. Necessary for planning and development of long-term actions.</li> </ul>	<ul style="list-style-type: none"> <li>9. In the conceptual phase;</li> <li>10. Not enough information to proceed currently;</li> <li>11. Lower priority; and</li> <li>12. Funding not available</li> </ul>

## **Program Strategy One**

(PS1)

### **Promote the Use of Electric Vehicles in Transportation**

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

- a) Reducing greenhouse gas emissions in Sonoma County and neighboring regions and;*
- d) Stimulating and sustaining the local economy.*

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

Promote Transit and School Bus Electrification.

- Project: Determine infrastructure needs for full electrification
- Status: SCP contracted with Cadmus to analyze the infrastructure needs of transit agencies to upgrade their fleets to all electric propulsion. Final reports were delivered to each of the transit agencies.
- SCP staff have created a spreadsheet of all the school bus operators in our service territory. This list will be used to communicate potential SCP programs.
- Involved Parties: RCPA, Sonoma County Transit, Santa Rosa City Bus, City of Petaluma, Mendocino Transit Authority, Cadmus.
- Metric: Completion of the transit electrification study reports, to be determined
- Goal: N/A

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

Provide Free Charging Stations.

- Project: Provide free Level 2 charging stations to eligible SCP customers.
- Status: Contract with eMotorWerks to continue free charging station program through June 2020 has been executed. SCP is working to claim LCFS credits for this program, which will help expand EV program funding in future years.
- Involved Parties: eMotorWerks, Olivine.
- Metric: Number of EVSE shipped and activated.
- Goal: Ship 200 units per fiscal year.

### **Immediate Action Three:**

Provide electric mobility solutions for local non-profits.

Project: Identify local non-profits that provide transportation services and incentivize their use of electric vehicles

Status: SCP has implemented a program that provides \$12,500 towards the purchase or lease of an EV by non-profits. To date, 10 non-profits have taken advantage of this incentive.

Involved Parties: RCPA, local non-profits.

Metric: Number of vehicles incentivized.

Goal: 5 vehicles per fiscal year

### **Immediate Action Four:**

Implement CALeVIP program

Project: The CEC launched CALeVIP to work with local partners to develop and implement EV charge incentive projects that meet regional needs. Funds are provided from the Alternative and Renewable Fuel and Vehicle Technology Program.

Status: SCP was awarded \$5.1M for implementation of an EV charging program in Sonoma and Mendocino. SCP is matching the CEC grant with \$1.65M. Program design is underway with an anticipated program launch of October 2020.

Involved Parties: RCPA, BAAQMD, NSCAPCD, MCAPCD, CSE, CEC.

Metric: Number of EVSE installed

Goal: Incentivize a total of 500 Level 2 chargers and 50 DCFC.  
Incentivize 4 DCFC in Mendocino.  
Incentivize 3 DCFC in the Coastal and rural areas of our service territory.

### **Immediate Action Five:**

Develop an E-bike Incentive Program.

Project: Incentivize the purchase of electric bicycles either through up-stream, in-store, or rebate processes. Coordinate implementation with local bike stores and advocates.

Status: RCPA staff have been researching E-bike incentive programs and interviewing local bike store owners to gauge interest.

Involved Parties: RCPA

Metric: Number of E-Bikes incentivized

Goal: 100 bikes incentivized in the first fiscal year of the program.

**Near-Term Action One:**

Support e-Mobility options

Project: Work with local partners on e-mobility strategies, like e-scooters, to promote shift in transportation modes.

Status: Explore a partnership with other organizations for electric mobility and last-mile solutions in SCP territory.

Involved Parties: To be determined but may include the SCTA and RCPA.

Metric: To be determined.

**Near-Term Action Two:**

Promote the use of Electric Vehicles in Car Sharing

Project: Explore the feasibility of electric car sharing.

Status: Explore a partnership with a car share provider to provide incentives to EVs in SCP territory offered on provider's service.

Involved Parties: May include Maven, Zipcar, other providers.

Metric: To be determined.

Goal: To be determined.

**Near-Term Action Three:**

Foster electric vehicle adoption in low-income communities.

Project: Collaborate with low-income communities, community groups, and other stakeholders to identify barriers to adoption of electric vehicles and strategies to overcome those barriers.

Status: In concept phase.

Parties Involved: to be determined but may include community service groups.

Metric: To be determined.

Goal: To be determined.

**Near-Term Action Four:**

Foster electric vehicle charging station expansion in low-income communities.

Project: Collaborate with low-income communities, community groups, and other stakeholders to identify barriers to charging station expansion.

## Sonoma Clean Power Programs Group Strategic Action Plan

Work with EVSE providers to expand charging to low-income communities.

Status: In concept phase.

Involved Parties: To be determined.

Metric: To be determined.

Goal: To be determined.

### Long-Term Action One:

Promote the use of All-Electric Autonomous Vehicles in SCP Territory.

Project: Develop relationships with autonomous vehicle developers and work closely with them to develop services within the SCP service area.

Status: In concept phase.

Parties Involved: To be determined but may include the RCPA, SCTA, and regional partners.

Metric: To be determined.

Goal: To be determined.

///End of Strategy One\\



## **Program Strategy Two**

(PS2)

### **Promote Fuel Switching in New and Existing Building Stock**

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

- a. Reducing greenhouse gas emissions in Sonoma County and neighboring regions;*
- 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:**

Project Management for the Lead Locally CEC Grant.

Project: The CEC Lead Locally Grant commenced July 9, 2018.

Status: The CEC Lead Locally Grant commenced July 9, 2018. Monitoring equipment and new technologies have been installed in 15 demonstration homes as part of the Phase 1 research. Phase 2 research locations are being identified. Advanced Energy Center construction began in November 2019.

Involved Parties: Frontier Energy, DNV GL, RCPA, TLCD Architecture, County of Sonoma Energy & Sustainability Division.

Metric: Satisfaction of Grant goals.

Goal: Defined in grant documents

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

Develop an On-Bill Financing Program within SCP's Territory.

Project: Implement an on-bill financing program.

Status: Staff are working with Counsel on a draft customer contract. It may be necessary to hire a program implementer. This Action will be incorporated into the Lead Locally CEC grant above.

Involved Parties: Frontier Energy.

Metric: Number participants in the on-bill financing program.

Goal: 100 per year

### **Immediate Action Three:**

Promote Induction Cooking as an Alternative to Natural Gas.

- Project: Loan portable induction cooktops to customers and Induction Kitchen Demonstration Area.
- Status: Staff will continue to loan portable induction cooktops to SCP customers so that they can experience the ease and safety of this technology. Cooktops are now being loaned by Daily Acts in Petaluma. SCP staff are seeking other partners. The Advanced Energy Center will provide an onsite opportunity to touch and feel different induction cooktops combined with a convection oven. Staff hope to attract culinary schools and other educational programs at this Induction Demonstration Area.
- Involved Parties: SCP Staff, Daily Acts.
- Metric: Number of cooktops lent out.
- Goal: Loan out 100 induction cooktops per year.  
Expand program to Mendocino County and rural areas of our service territory.

### **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 was available to parties rebuilding in the burn zones of Sonoma and Mendocino counties through December 2019. We have received 340 applications as of Jan.1, 2020.
- Involved Parties: PG&E, BAAQMD
- Metric: Number of dwellings participating in the program
- Goal: 350

### **Immediate Action Five:**

Develop an Education Program to be Facilitated through the Advanced Energy Center

- 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 will be working with parties below to develop a yearlong training calendar.

Involved Parties: Sonoma County, RCPA, Design Avenues LLC.

Metric: Number of classes staged and number of participants in those classes per calendar/fiscal year

Goal: Host 50 classes per calendar year and 1,000 attendees

### **Immediate Action Six:**

Implement the Advanced Energy Build Incentive Program.

Project: Design an incentive program that will accelerate the adoption of highly efficient and all electric homes in SCP's service territory.

Status: SCP has received Board of Directors approval for the program budget. The contract is under legal review.

Involved Parties: TRC, PG&E (potential)

Metric: Number of dwellings participating in the program

Goal: 500

### **Immediate Action Seven:**

Provide a tool that will educate customers on electrification and help in the transition to full electrification.

Project: Contract or develop a tool that is designed to educate customers about electrification technologies/measures, help evaluate the potential GHG and dollar savings, and motivate them to take action that will result in reductions in GHG emissions.

Status: SCP currently offers the ChooseEV tool for customers looking to switch to an electric vehicle. Staff is working to contract with YellowTin to provide a white-labeled, cloud-based electrification engagement platform.

Involved Parties: Yenter Group, YellowTin.

Metric: Number of website hits and number of accounts on the platform.

Goal: 500 unique website hits in the calendar year  
100 residential accounts on the platform by the first anniversary of the launch of the Program.

///End of Strategy Two\\

## **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. SCP service territory was selected for a \$5.1M incentive program by the CEC as described in Program Strategy One. We will continue to monitor grant opportunities and apply as appropriate.

Involved Parties: CEC, to be determined.

Metric: N/A

#### **Long-Term Action One:**

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

Project: Monitor potential programs that meet CPUC cost-effectiveness metrics to implement and scale using publicly funded energy efficiency funds.

Status: Ongoing.

Involved Parties: To be determined based on program offering.

Metric: To be determined

Goal: To be determined

///End of Strategy Three\\

## **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 have recently added smart 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, AO Smith, Rheem, EcoBee.

**Metric:** Number of participants in GridSavvy per technology. Size of dispatchable load participating.

**Goal:** 800 EVSE, 50 HPWH, 100 thermostats by end of 2020 calendar year.

///End of Strategy Four\\

## **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:**

Develop an alternative to mandatory on-site solar systems in new construction.

**Project:** Work with the CEC on the development and codification of PermaGreen, a commitment from property owners to purchase EverGreen as an alternative to mandatory on-site solar systems in new construction.

**Status:** A standard contract to allow our customers to purchase 20 years' worth of EverGreen has been developed. Initial talks with the CEC have been positive.

**Involved Parties:** CEC

**Metric:** To be determined

**Goal:** To be determined

#### **Immediate 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 and assist with resiliency due to PSPS events.

**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 and GridSavvy.

Involved Parties: Sonnen, Tesla, Sun Power.

Metric: Number of participants in program.

Goal: 50 battery systems are installed by the end of the calendar year.

### **Immediate Action Three:**

Investigate how best to pair battery storage with existing or planned solar systems at municipal facilities.

Project: Work with our member agencies to identify existing and planned solar facilities that might benefit from adding a battery storage component.

Status: An agreement has been negotiated and approved by our Board by which Terraverde Inc will perform the work described above.

Involved Parties: SCP member agencies

Metric: Number of systems analyzed.

Goal: Analysis of 25 solar systems

///End of Strategy Five\\

## **Program Strategy Six**

(PS6)

### **Support the Transition to Carbon Free Building Codes and Practices**

This Strategy fulfils the following goals of SCP's JPA:

- a. Reducing greenhouse gas emissions in Sonoma County and neighboring regions;*
- c. Carrying out programs to reduce total energy consumption and;*
- d. Stimulating and sustaining the local economy*

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

Provide Assistance to Commercial Customers in Optimizing Energy Efficiency.

- Project: Enter into a contract with the County of Sonoma Energy and Sustainability Division to provide energy audits to businesses in SCP's service territory.
- Status: Contract is in place. As of June 1<sup>st</sup>, 2019, 3 customers have received assistance.
- Parties Involved: County of Sonoma Energy & Sustainability Division.
- Metric: Number of businesses assisted.
- Goal: 10 per calendar year

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

Assist Local Jurisdictions on Ordinances that Encourage Greenhouse Gas Reduction in Local Buildings.

- Project: Assist local city and county staff in the investigation and adoption of "reach" codes that push energy efficiency and green house gas reduction measures beyond those required by code.
- Status: SCP is actively engaging with NRDC, the Building Decarbonization Collation, and a group of California jurisdictions to provide the assistance described above.
- Involved Parties: Local cities and counties, NRDC, the Building Decarbonization Collation.
- Metric: Number of municipalities with Reach Codes adopted
- Goal: Five in SCP jurisdiction.



**Near-Term Action One:**

Explore programs and strategies for low GHG agriculture

Project: Assist agricultural customers with low-GHG farming practices, with a focus on reducing methane and nitrous oxide emissions.

Status: In concept phase.

Parties Involved: To be determined

Metric: To be determined

Goal: To be determined

**Long-Term Action One:**

Investigate carbon sequestration strategies

Project: Investigate potential strategies that allow for meaningful sequestration of carbon.

Status: In concept phase.

Parties Involved: To be determined

Metric: To be determined

Goal: To be determined

///End of Strategy Six\\

## **Program Strategy Seven**

(PS7)

### **Test and Evaluate the Use of New Technologies**

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;*
- 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.*

#### **Near-Term Action One:**

Investigate the Use of Bio-Mass Power Generation in SCP Territory.

Project: Identify bio-mass feed stock supplies in SCP territory (particularly Mendocino County) as well as small scale bio-mass conversion technologies that may provide cost effective local power generation.

Status: Bio-mass analysis for Sonoma County completed by Sonoma Water several years ago.

Involved Parties: Sonoma Water.

Metric: To be determined

Goal: To be determined

#### **Near Term Action Two:**

Investigate Vehicle-to-Building technologies

Project: Investigate potential programs to allow electric vehicles to provide backup power to buildings through vehicle-to-building technologies.

Status: In concept phase.

Involved Parties: To be determined but may include vehicle manufactures.

Metric: To be determined

Goal: To be determined

///End of Strategy Seven\\

## **Program Strategy Eight**

(PS8)

### **Promote Public Education Involving Energy Efficiency, Fuel Switching, and Electric Vehicles**

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

- a. Reducing greenhouse gas emissions in Sonoma County and neighboring regions; and*
- e. Promoting long-term electric rate stability, energy security, reliability, and resilience.*

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

Continue the SWITCH Program.

**Project:** SCP has for several years funded the SWITCH Program which provides an electric car “kit” which students can assemble and disassemble in order to learn how electric cars are put together. This familiarity with electric vehicles will make them more likely to incorporate EV's into their lives as well as the potential for students to enter the EV industry at the local dealership level.

**Status:** A funding agreement to extend the program has been completed.

**Involved Parties:** CTE, SWITCH

**Metric:** Number of Vehicles in the program

**Goal:** Seven vehicles

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

Continue to Offer Consumer-Facing Educational EV Resources.

**Project:** SCP has for several years offered a number of educational resources to help customers switch to driving an EV. These resources include the EV Buyers Guide, ChooseEV tool, DriveEv.org, the EV Roadmap, EV 101, and EV collateral (e.g. flyers)

**Status:** Tools and materials currently available on [DriveEV.org](https://driveev.org).

**Involved Parties:** SCP Marketing Staff, Yenter Group, RCPA.

**Metric:** Number of unique visits and engagement time on website.

Goal: 200 unique visits and an average of 2 minutes spent on the website and subsequent tools.

### **Immediate Action Three:**

Continue the Energy Education Program for Schools in SCP Territory.

Project: Contract with Sonoma Water to expand their existing education program to include energy efficiency, fuel switching and climate change throughout Sonoma and Mendocino County schools.

Status: Contract is in place and curriculum has been developed. SCP coordinated with Sonoma Water on materials and branding. Sonoma Water has implemented the education program for the 2019/20 school year. SCP has contracted with Sonoma Water to continue the program through fiscal year 20/21.

Involved Parties: Sonoma Water.

Metric: Number of students and teachers reached in the educational calendar year

Goal: Reach 6000 students and 30 teachers in the educational calendar year

### **Immediate Action Four:**

Continue the DIY Tool Kit Program.

Project: The DIY Toolkit Program provides a selection of energy and water saving devices that can be checked out from local libraries. SCP is one of four partners and partial funder of the program in Sonoma County, and one of three partners and full funder in Mendocino County.

Status: 32 kits are currently in rotation in Sonoma County Libraries and 13 kits in rotation in Mendocino County Libraries. The kits combined have been checked out over 823 times (768 check outs in Sonoma and 55 in Mendocino).

Involved Parties: Sonoma County General Services Department, Sonoma County Library, Sonoma Water, Sonoma-Marin Saving Water Partnership, Mendocino County Library.

Metric: Number of times the toolkits are checked out per year.

Goal: Total of 60 checkouts in Mendocino and 350 checkouts in Sonoma

///End of Strategy Eight\\

## **Summary of Actions**

### **Immediate Actions:**

- Promote Transit and School Bus Electrification *(PS1)*;
- Provide Free Charging Stations *(PS1)*;
- Provide electric mobility solutions for local non-profits *(PS1)*;
- Implement CALeVIP Program *(PS1)*
- Develop E-bike Incentive Program *(PS1)*
- Project Management for the Lead Locally CEC Grant *(PS2)*;
- Develop an On-Bill Financing Program within SCP's Territory *(PS2)*;
- Promote Induction Cooking as an Alternative to Natural Gas *(PS2)*;
- Implement the Advanced Energy Rebuild Incentive Program *(PS2)*;
- Develop an Education Program to be Facilitated through the Advanced Energy Center *(PS2)*;
- Implement the Advanced Energy Build Incentive Program *(PS2)*;
- Provide a tool that will educate customers on electrification and help in the transition to full electrification. *(PS2)*
- Monitor Existing Funding Channels for Potential Opportunities *(PS3)*;
- Implement GridSavvy Community *(PS4)*;
- Develop an alternative to mandatory on-site solar systems in new construction *(PS5)*;
- Develop a Residential Battery Storage Program *(PS5)*;
- Investigate how best to pair battery storage with existing or planned solar systems at municipal facilities *(PS5)*;
- Provide Assistance to Commercial Customers in Optimizing Energy Efficiency *(PS6)*;
- Assist with Local Jurisdictions on Ordinances that Encourage Greenhouse Gas Reduction in Local Buildings *(PS6)*;
- Continue the SWITCH Program *(PS8)*;
- Continue to Offer Consumer-Facing Educational EV Resources *(PS8)*;

- Continue the Energy Education Program for Schools in SCP Territory (PS8);
- Continue the DIY Tool Kit Program (PS8).

**Near-Term Actions:**

- Support e-Mobility options (PS1);
- Promote the use of Electric Vehicles in Car Sharing (PS1);
- Foster electric vehicle adoption in low-income communities (PS1);
- Foster electric vehicle charging station expansion in low-income communities. (PS1);
- Explore programs and strategies for low GHG agriculture (PS6)
- Investigate the use of Bio-Mass Power Generation in SCP Territory (PS7).
- Investigate Vehicle-to-Building technologies (PS7).

**Long-Term Actions:**

- Promote the use of All-Electric Autonomous Vehicles in SCP Territory (PS1);
- Monitor Cost-Effectiveness of Programs that Could Scale with CPUC Energy Efficiency Funds (PS3).
- Investigate carbon sequestration strategies (PS6)



## Staff Report - Item 08

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**To:** Sonoma Clean Power Authority Board of Directors

**From:** Neal Reardon, Director of Regulatory Affairs  
Erica Torgerson, Director of Customer Service  
Rebecca Simonson, Senior Power Services Manager  
Mike Koszalka, COO

**Issue:** Budget Adjustment for Fiscal Year 2019-2020 and Change in Customer Rates for March 1, 2020

**Date:** February 6, 2020

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### Recommendation

1. Adopt the proposed change in customer rates for March 1, 2020 so that total electric bills are equal to PG&E bundled service total electric bills.
2. Adopt the proposed budget adjustments to the adopted Fiscal Year 2019-2020 budget.

### Community Advisory Committee

The Community Advisory Committee reviewed this staff report on January 23, 2020 and voted unanimously to recommend to the Board of Directors to change customer rates effective March 1, 2020 and to adopt the budget adjustment.

### Background

SCP commonly brings a mid-year budget adjustment to the Committee and Board to account for changes in energy prices, customer participation rates, bank interest rates, and regulatory decisions relating to customer exit fees (PCIA) and utility retail rates.

This time, SCP's customers are facing a large increase in PCIA likely materializing in rates on May 1, 2020. SCP customers are liable for this increased PCIA, though the final amount has not yet been approved by the Commission. Based on the most accurate information available, the minimum PCIA increase for SCP customers in 2020 will be \$14.8 million (23% more than what they currently pay). The maximum is nearly three times as much: \$41.7 million (65% more than what they currently pay). However, regardless of what PCIA increase materializes in rates in 2020, SCP

customers will eventually be held liable for the full \$41.7 million. That is, if they are not forced to pay it in 2020 rates, it will be held in a balancing account and put into future PCIA rates. The PCIA is expected to remain high until 2025 when PG&E's Diablo Canyon facility retires.

Due to the large expected increase in PCIA, staff is requesting that rates be increased to match PG&E's rates starting on March 1, 2020 in order to smooth out the impact of the PCIA increase in two ways. First, the increase will allow SCP to raise approximately \$3.3 million of additional revenues to help offset the higher PCIA in the next fiscal year. Second, the rate increase proposed will help customers more smoothly transition to higher bills when the higher PCIA goes into effect. The change to rates would increase customer's total bill by approximately 2.0%.

Regardless of the Board's decision, staff will propose that SCP's generation rates decrease starting in July 1, 2020 with the adoption of next year's budget and rates. That drop will be important to offset a portion of the PCIA, although staff believe that it is possible that both contributions to reserves may need to be reduced or suspended for the Fiscal Year 2020-2021 and also that customer rates may need to be higher than PG&E bundled rates for a period of time.

## Discussion

The proposed rate tables are in Attachment B. The proposed generation rates plus PCIA and Franchise Fee match PG&E generation rates effective January 1, 2020.

The proposed budget adjustment is shown in Attachment A. It includes two options:

- Option 1 - shows the budget adjustment if SCP makes no changes to rates in the current fiscal year.
- Option 2 - shows the budget adjustment if the Board of Directors ultimately approves the proposed rate change. This is staff's recommended budget adjustment.

Additional detail on the most significant budget adjustments is provided here:

## Revenues

Revenues are higher than initially forecast for two reasons.

First, SCP adopted the current fiscal year budget prior to knowing PG&E's rates. The final adopted PCIA was lower than the CPUC's forecast and PG&E's generation rates were higher, such that SCP could sustain higher rates and still achieve savings relative to PG&E.

Second, the CPUC has delayed its planned increase in PCIA, which is now most likely to occur on May 1, 2020. That means SCP can sustain its current retail rates at least until May 1 and possibly through the end of the current fiscal year. SCP's customer



rates will then need to decline significantly to offset the large expected increase in PCIA.

<b>Revenues</b>	<b>Current Adopted Budget</b>	<b>Budget Rev.1 Option 1 (no rate change)</b>	<b>Budget Rev. 1 Option 2 (recommended rate increase 3/1/2020)</b>	<b>Difference Between Option 1 &amp; Option 2</b>
Electricity Sales	187,866,000	193,300,000	196,600,000	3,300,000
EverGreen Premium	451,000	489,000	489,000	0
Grants	4,860,000	4,860,000	4,860,000	0
Interest Income	1,011,000	1,325,000	1,325,000	0
<b>Total Revenues</b>	<b>194,188,000</b>	<b>199,974,000</b>	<b>203,274,000</b>	<b>3,300,000</b>

SCP would realize an additional \$3.3 million dollars in Electricity Sales if it matches PG&E's generation rates (plus fees). These increased revenues would help offset the jump in PCIA scheduled to occur on May 1, 2020.

### Cost of Energy

The market cost of energy has declined from SCP's initial budget forecast. However, while SCP benefits from reduced energy costs when procuring for our customers, those lower energy costs are offset by an increase in PCIA. There is no difference in the cost of energy between the two rate scenarios.

### Legal

SCP's engagement in PG&E's bankruptcy case is lighter now than in 2019, but continues. In addition, the departure of SCP's existing General Counsel is leading to increased support from outside Counsel in the areas of municipal law, meetings, contract development and review, and other legal areas. In the next fiscal year, Staff expect that expenses for legal work will decline from this year's level.

### Programs

Expenses for programs is generally budgeted based on a reasonable but optimistic scenario for customer program participation. This mid-year adjustment shaves off the excess for the first six months of the year. Most notably the CalEVIP program which does not require funding until next fiscal year, and the Advanced Energy Rebuild program did not approach the budget allowance.

### Capital Outlay

SCP's headquarters project will go out for bid within the next month, but that means it is significantly later in the process than initially budgeted. Even though the outlay is much smaller for the current fiscal year, there is no expected overall cost savings associated with this delay. Rather, the roughly \$4.9 million in lower expected outlay is simply deferred and will appear in the next fiscal year.

### Net Increase in Fund Balance

	<b>Adopted Budget</b>	<b>Budget Rev.1 Option 1</b>	<b>Budget Rev. 1 Option 2</b>	<b>Difference Between Option 1 &amp; Option 2</b>
Total Revenues	194,188,000	199,974,000	203,274,000	3,300,000
Total Expenditures	176,807,000	174,052,000	174,052,000	0
Capital Outlay	8,700,000	3,800,000	3,800,000	0
<b>Net Increase/(Decrease) in Fund Balance</b>	<b>8,681,000</b>	<b>23,488,000</b>	<b>26,788,000</b>	<b>3,300,000</b>

The large increase in expected fund balance for the current fiscal year is completely offset by two factors: the roughly \$4.9 million deferral of Capital Outlay for the headquarters construction and the expected increase in annual PCIA costs that will begin likely in May 2020. As the CPUC issues its final decision relating to the amount of the PCIA and the date for making the change to the PCIA, staff will brief the Committee and Board on how SCP can plan ahead for the Fiscal Year 2020-2021 budget and rates.

### **Fiscal Impact**

The proposed budget adjustment reflects actual financial performance and has limited impact on spending. Overall, this adjustment shows that SCP's total expenses are reduced by \$9.9 million and Capital Outlay reduced by \$4.9 million from the existing adopted budget. The revenue from electric sales will be determined by which option the Board approves - no change in the fiscal year, or a change to match rates with PG&E.

### **Attachments**

- Attachment A - Table showing the current adopted budget and proposed amended budget.
- Attachment B - Table showing the proposed customer rates.

	Existing Adopted Budget FY19-20	Option 1 No Change in Rates FY19-20	Option 2 Change Rates to Equal PG&E FY19-20	Comments
<b>REVENUES &amp; OTHER SOURCES</b>				
Electricity Sales <sup>1</sup> (net of allowance)	187,866,000	193,300,000	196,600,000	Delay of PCA increase gives more time to bank reserves
EverGreen Premium <sup>2</sup> (net of allowance)	451,000	489,000	489,000	Increased participation above forecast
CEC Grant Proceeds	4,760,000	4,760,000	4,760,000	No change
BAAQMD Grant	100,000	100,000	100,000	No change
Interest Income	1,011,000	1,325,000	1,325,000	Larger deposits and increased rates
<b>Total Revenues</b>	<b>194,188,000</b>	<b>199,974,000</b>	<b>203,274,000</b>	

## EXPENDITURES

<b>Product</b>				
Cost of Energy and Scheduling <sup>3</sup>	152,301,000	150,630,000	150,630,000	Declining energy market costs
Data Management	3,158,000	3,158,000	3,158,000	No change
Service Fees to PG&E	961,000	961,000	961,000	No change
<b>Product Subtotal</b>	<b>156,420,000</b>	<b>154,749,000</b>	<b>154,749,000</b>	
<b>Personnel</b>	<b>4,330,000</b>	<b>4,330,000</b>	<b>4,330,000</b>	No change
<b>Outreach and Communications</b>	<b>960,000</b>	<b>960,000</b>	<b>960,000</b>	No change
<b>Customer Service</b>	<b>367,000</b>	<b>367,000</b>	<b>367,000</b>	No change
<b>General and Administration</b>	<b>505,000</b>	<b>505,000</b>	<b>505,000</b>	No change

	Existing Adopted Budget FY19-20	Option 1 No Change in Rates FY19-20	Option 2 Change Rates to Equal PG&E FY19-20	Comments
<b>EXPENDITURES – continued</b>				
<b>Other Professional Services</b>				
Legal, Regulatory and Compliance	926,000	1,102,000	1,102,000	New outside counsel and to complete PG&E bankruptcy
Accounting	211,000	211,000	211,000	No change
Legislative	78,000	78,000	78,000	No change
Other consultants	160,000	160,000	160,000	No change
<b>Other Professional Services Subtotal</b>	<b>1,375,000</b>	<b>1,551,000</b>	<b>1,551,000</b>	
<b>CalCCA Trade Association</b>	<b>440,000</b>	<b>440,000</b>	<b>440,000</b>	No change
<b>Programs</b>				
Program Implementation	3,400,000	2,700,000	2,700,000	CALEVIP to begin next f/y & less than expected AER apps
CEC Grant Program <sup>4</sup>	8,960,000	8,400,000	8,400,000	Slight change in pace of work
Program Development and Evaluation	50,000	50,000	50,000	No change
<b>Programs Subtotal</b>	<b>12,410,000</b>	<b>11,150,000</b>	<b>11,150,000</b>	
<b>Total Expenditures</b>	<b>176,807,000</b>	<b>174,052,000</b>	<b>174,052,000</b>	
<b>Revenues Less Expenditures</b>	<b>17,381,000</b>	<b>25,922,000</b>	<b>29,222,000</b>	
<b>OTHER USES</b>				
Capital Outlay	8,700,000	3,800,000	3,800,000	Later start to headquarters construction than forecast
<b>Total Expenditures, Other Uses</b>	<b>185,507,000</b>	<b>177,852,000</b>	<b>177,852,000</b>	
<b>Net Increase/(Decrease) in Fund Balance</b>	<b>8,681,000</b>	<b>22,122,000</b>	<b>25,422,000</b>	Allows banking additional cash to offset future PCA hike

**Sonoma Clean Power  
Mar 1, 2020 Proposed Rates**

SCP RATE SCHEDULE	Charge type	Charge unit	Season	Time of Use	SCP CURRENT GENERATION RATE	Mar 1, 2020 PROPOSED GENERATION RATE	Mar 1, 2020 SCP PROPOSED WITH PG&E Jan 1, 2020 SURCHARGES	Jan 1, 2020 PG&E Generation
<b>RESIDENTIAL CUSTOMERS</b>								
E-1	Energy	\$/kWh	All	Total	\$0.08544	\$0.09012	\$0.11778	\$0.11778
EL-1 (CARE)	Energy	\$/kWh	All	Total	\$0.08544	\$0.09012	\$0.11778	\$0.11778
E-6	Energy	\$/kWh	Summer	On Peak	\$0.21965	\$0.23549	\$0.26315	\$0.26315
E-6	Energy	\$/kWh	Summer	Part Peak	\$0.10358	\$0.11327	\$0.14093	\$0.14093
E-6	Energy	\$/kWh	Summer	Off Peak	\$0.05675	\$0.06338	\$0.09104	\$0.09104
E-6	Energy	\$/kWh	Winter	Part Peak	\$0.08316	\$0.09107	\$0.11873	\$0.11873
E-6	Energy	\$/kWh	Winter	Off Peak	\$0.07021	\$0.07736	\$0.10502	\$0.10502
EL-6 (CARE)	Energy	\$/kWh	Summer	On Peak	\$0.21965	\$0.23549	\$0.26315	\$0.26315
EL-6 (CARE)	Energy	\$/kWh	Summer	Part Peak	\$0.10358	\$0.11327	\$0.14093	\$0.14093
EL-6 (CARE)	Energy	\$/kWh	Summer	Off Peak	\$0.05675	\$0.06338	\$0.09104	\$0.09104
EL-6 (CARE)	Energy	\$/kWh	Winter	Part Peak	\$0.08316	\$0.09107	\$0.11873	\$0.11873
EL-6 (CARE)	Energy	\$/kWh	Winter	Off Peak	\$0.07021	\$0.07736	\$0.10502	\$0.10502
E-EV-A	Energy	\$/kWh	Summer	On Peak	\$0.24043	\$0.25129	\$0.27895	\$0.27895
E-EV-A	Energy	\$/kWh	Summer	Part Peak	\$0.10092	\$0.10677	\$0.13443	\$0.13443
E-EV-A	Energy	\$/kWh	Summer	Off Peak	\$0.03710	\$0.03990	\$0.06756	\$0.06756
E-EV-A	Energy	\$/kWh	Winter	On Peak	\$0.06928	\$0.07658	\$0.10424	\$0.10424
E-EV-A	Energy	\$/kWh	Winter	Part Peak	\$0.03943	\$0.04231	\$0.06997	\$0.06512
E-EV-A	Energy	\$/kWh	Winter	Off Peak	\$0.03300	\$0.03746	\$0.06512	\$0.06997
E-EV-B	Energy	\$/kWh	Summer	On Peak	\$0.24055	\$0.25129	\$0.27895	\$0.27895
E-EV-B	Energy	\$/kWh	Summer	Part Peak	\$0.10098	\$0.10677	\$0.13443	\$0.13443
E-EV-B	Energy	\$/kWh	Summer	Off Peak	\$0.03711	\$0.03990	\$0.06756	\$0.06756
E-EV-B	Energy	\$/kWh	Winter	On Peak	\$0.06941	\$0.07658	\$0.10424	\$0.10424
E-EV-B	Energy	\$/kWh	Winter	Part Peak	\$0.03944	\$0.04231	\$0.06997	\$0.06512
E-EV-B	Energy	\$/kWh	Winter	Off Peak	\$0.03307	\$0.03746	\$0.06512	\$0.06997
E-EV2-A	Energy	\$/kWh	Summer	On Peak	\$0.14882	\$0.15840	\$0.18606	\$0.18606
E-EV2-A	Energy	\$/kWh	Summer	Part Peak	\$0.10632	\$0.11369	\$0.14135	\$0.14135
E-EV2-A	Energy	\$/kWh	Summer	Off Peak	\$0.06922	\$0.07255	\$0.10021	\$0.10021
E-EV2-A	Energy	\$/kWh	Winter	On Peak	\$0.09449	\$0.10152	\$0.12918	\$0.12918
E-EV2-A	Energy	\$/kWh	Winter	Part Peak	\$0.08234	\$0.08903	\$0.11669	\$0.11669
E-EV2-A	Energy	\$/kWh	Winter	Off Peak	\$0.06223	\$0.06555	\$0.09321	\$0.09321

**Sonoma Clean Power**  
**Mar 1, 2020 Proposed Rates**

SCP RATE SCHEDULE	Charge type	Charge unit	Season	Time of Use	SCP CURRENT GENERATION RATE	Mar 1, 2020 PROPOSED GENERATION RATE	Mar 1, 2020 SCP PROPOSED WITH PG&E Jan 1, 2020 SURCHARGES	Jan 1, 2020 PG&E Generation
<b><u>RESIDENTIAL CUSTOMERS</u></b>								
E-TOU-A	Energy	\$/kWh	Summer	On Peak	\$ 0.16696	\$0.17380	\$0.20146	\$0.20146
E-TOU-A	Energy	\$/kWh	Summer	Off Peak	\$ 0.09289	\$0.09822	\$0.12588	\$0.12588
E-TOU-A	Energy	\$/kWh	Winter	On Peak	\$ 0.08198	\$0.08646	\$0.11412	\$0.11412
E-TOU-A	Energy	\$/kWh	Winter	Off Peak	\$ 0.06796	\$0.07216	\$0.09982	\$0.09982
EL-TOU-A (CARE)	Energy	\$/kWh	Summer	On Peak	\$ 0.16696	\$0.17380	\$0.20146	\$0.20146
EL-TOU-A (CARE)	Energy	\$/kWh	Summer	Off Peak	\$ 0.09289	\$0.09822	\$0.12588	\$0.12588
EL-TOU-A (CARE)	Energy	\$/kWh	Winter	On Peak	\$ 0.08198	\$0.08646	\$0.11412	\$0.11412
EL-TOU-A (CARE)	Energy	\$/kWh	Winter	Off Peak	\$ 0.06796	\$0.07216	\$0.09982	\$0.09982
E-TOU-B	Energy	\$/kWh	Summer	On Peak	\$ 0.18768	\$0.19570	\$0.22336	\$0.22336
E-TOU-B	Energy	\$/kWh	Summer	Off Peak	\$ 0.08668	\$0.09264	\$0.12030	\$0.12030
E-TOU-B	Energy	\$/kWh	Winter	On Peak	\$ 0.08359	\$0.08887	\$0.11653	\$0.11653
E-TOU-B	Energy	\$/kWh	Winter	Off Peak	\$ 0.06517	\$0.07007	\$0.09773	\$0.09773
EL-TOU-B (CARE)	Energy	\$/kWh	Summer	On Peak	\$ 0.18768	\$0.19570	\$0.22336	\$0.22336
EL-TOU-B (CARE)	Energy	\$/kWh	Summer	Off Peak	\$ 0.08668	\$0.09264	\$0.12030	\$0.12030
EL-TOU-B (CARE)	Energy	\$/kWh	Winter	On Peak	\$ 0.08359	\$0.08887	\$0.11653	\$0.11653
EL-TOU-B (CARE)	Energy	\$/kWh	Winter	Off Peak	\$ 0.06517	\$0.07007	\$0.09773	\$0.09773
E-TOU-C3	Energy	\$/kWh	Summer	On Peak	\$ 0.14241	\$0.14874	\$0.17640	\$0.17640
E-TOU-C3	Energy	\$/kWh	Summer	Off Peak	\$ 0.08024	\$0.08530	\$0.11296	\$0.11296
E-TOU-C3	Energy	\$/kWh	Winter	On Peak	\$ 0.08770	\$0.09228	\$0.11994	\$0.11994
E-TOU-C3	Energy	\$/kWh	Winter	Off Peak	\$ 0.07071	\$0.07495	\$0.10261	\$0.10261
EL-TOU-C3 (CARE)	Energy	\$/kWh	Summer	On Peak	\$ 0.14241	\$0.14874	\$0.17640	\$0.17640
EL-TOU-C3 (CARE)	Energy	\$/kWh	Summer	Off Peak	\$ 0.08024	\$0.08530	\$0.11296	\$0.11296
EL-TOU-C3 (CARE)	Energy	\$/kWh	Winter	On Peak	\$ 0.08770	\$0.09228	\$0.11994	\$0.11994
EL-TOU-C3 (CARE)	Energy	\$/kWh	Winter	Off Peak	\$ 0.07071	\$0.07495	\$0.10261	\$0.10261

**Sonoma Clean Power**  
**Mar 1, 2020 Proposed Rates**

SCP RATE SCHEDULE	Charge type	Charge unit	Season	Time of Use	SCP CURRENT GENERATION RATE	Mar 1, 2020 PROPOSED GENERATION RATE	Mar 1, 2020 SCP PROPOSED WITH PG&E Jan 1, 2020 SURCHARGES	Jan 1, 2020 PG&E Generation
<b><u>COMMERCIAL, INDUSTRIAL AND GENERAL SERVICE CUSTOMERS</u></b>								
A-1-A	Energy	\$/kWh	Summer	Total	\$0.10017	\$0.10571	\$0.13336	\$0.13336
A-1-A	Energy	\$/kWh	Winter	Total	\$0.06125	\$0.06558	\$0.09323	\$0.09323
A-1-A-P	Energy	\$/kWh	Summer	Total	\$0.10017	\$0.10571	\$0.13336	\$0.13336
A-1-A-P	Energy	\$/kWh	Winter	Total	\$0.06125	\$0.06558	\$0.09323	\$0.09323
A-1-B	Energy	\$/kWh	Summer	On Peak	\$0.11450	\$0.12034	\$0.14799	\$0.14799
A-1-B	Energy	\$/kWh	Summer	Part Peak	\$0.09132	\$0.09669	\$0.12434	\$0.12434
A-1-B	Energy	\$/kWh	Summer	Off Peak	\$0.06451	\$0.06933	\$0.09698	\$0.09698
A-1-B	Energy	\$/kWh	Winter	Part Peak	\$0.09155	\$0.09649	\$0.12414	\$0.12414
A-1-B	Energy	\$/kWh	Winter	Off Peak	\$0.07105	\$0.07558	\$0.10323	\$0.10323
A-1-B-P	Energy	\$/kWh	Summer	On Peak	\$0.11450	\$0.12034	\$0.14799	\$0.14799
A-1-B-P	Energy	\$/kWh	Summer	Part Peak	\$0.09132	\$0.09669	\$0.12434	\$0.12434
A-1-B-P	Energy	\$/kWh	Summer	Off Peak	\$0.06451	\$0.06933	\$0.09698	\$0.09698
A-1-B-P	Energy	\$/kWh	Winter	Part Peak	\$0.09155	\$0.09649	\$0.12414	\$0.12414
A-1-B-P	Energy	\$/kWh	Winter	Off Peak	\$0.07105	\$0.07558	\$0.10323	\$0.10323
A-10-A	Energy	\$/kWh	Summer	Total	\$0.09010	\$0.09386	\$0.12265	\$0.12265
A-10-A	Energy	\$/kWh	Winter	Total	\$0.06361	\$0.06655	\$0.09534	\$0.09534
A-10-A	Demand	\$/kW	Summer	Total	\$5.33	\$5.74	\$5.74	\$5.74
A-10-A-P	Energy	\$/kWh	Summer	Total	\$0.08069	\$0.08420	\$0.11299	\$0.11299
A-10-A-P	Energy	\$/kWh	Winter	Total	\$0.05761	\$0.06045	\$0.08924	\$0.08924
A-10-A-P	Demand	\$/kW	Summer	Total	\$4.62	\$5.01	\$5.01	\$5.01
A-10-B	Energy	\$/kWh	Summer	On Peak	\$0.14280	\$0.14762	\$0.17641	\$0.17641
A-10-B	Energy	\$/kWh	Summer	Part Peak	\$0.08877	\$0.09249	\$0.12128	\$0.12128
A-10-B	Energy	\$/kWh	Summer	Off Peak	\$0.06126	\$0.06442	\$0.09321	\$0.09321
A-10-B	Energy	\$/kWh	Winter	Part Peak	\$0.07341	\$0.07655	\$0.10534	\$0.10534
A-10-B	Energy	\$/kWh	Winter	Off Peak	\$0.05669	\$0.05949	\$0.08828	\$0.08828
A-10-B	Demand	\$/kW	Summer	Total	\$5.33	\$5.74	\$5.74	\$5.74

**Sonoma Clean Power**  
**Mar 1, 2020 Proposed Rates**

SCP RATE SCHEDULE	Charge type	Charge unit	Season	Time of Use	SCP CURRENT GENERATION RATE	Mar 1, 2020 PROPOSED GENERATION RATE	Mar 1, 2020 SCP PROPOSED WITH PG&E Jan 1, 2020 SURCHARGES	Jan 1, 2020 PG&E Generation
<b><u>COMMERCIAL, INDUSTRIAL AND GENERAL SERVICE CUSTOMERS</u></b>								
A-10-B-P	Energy	\$/kWh	Summer	On Peak	\$0.13112	\$0.13566	\$0.16445	\$0.16445
A-10-B-P	Energy	\$/kWh	Summer	Part Peak	\$0.08156	\$0.08510	\$0.11389	\$0.11389
A-10-B-P	Energy	\$/kWh	Summer	Off Peak	\$0.05547	\$0.05847	\$0.08726	\$0.08726
A-10-B-P	Energy	\$/kWh	Winter	Part Peak	\$0.06834	\$0.07140	\$0.10019	\$0.10019
A-10-B-P	Energy	\$/kWh	Winter	Off Peak	\$0.05277	\$0.05552	\$0.08431	\$0.08431
A-10-B-P	Demand	\$/kW	Summer	Total	\$4.62	\$5.01	\$5.01	\$5.01
A-6	Energy	\$/kWh	Summer	On Peak	\$0.34826	\$0.36010	\$0.38775	\$0.38775
A-6	Energy	\$/kWh	Summer	Part Peak	\$0.11461	\$0.12051	\$0.14816	\$0.14816
A-6	Energy	\$/kWh	Summer	Off Peak	\$0.05775	\$0.06222	\$0.08987	\$0.08987
A-6	Energy	\$/kWh	Winter	Part Peak	\$0.08292	\$0.08768	\$0.11533	\$0.11533
A-6	Energy	\$/kWh	Winter	Off Peak	\$0.06578	\$0.07019	\$0.09784	\$0.09784
A-6-P	Energy	\$/kWh	Summer	On Peak	\$0.34826	\$0.36010	\$0.38775	\$0.38775
A-6-P	Energy	\$/kWh	Summer	Part Peak	\$0.11461	\$0.12051	\$0.14816	\$0.14816
A-6-P	Energy	\$/kWh	Summer	Off Peak	\$0.05775	\$0.06222	\$0.08987	\$0.08987
A-6-P	Energy	\$/kWh	Winter	Part Peak	\$0.08292	\$0.08768	\$0.11533	\$0.11533
A-6-P	Energy	\$/kWh	Winter	Off Peak	\$0.06578	\$0.07019	\$0.09784	\$0.09784



**Sonoma Clean Power**  
**Mar 1, 2020 Proposed Rates**

SCP RATE SCHEDULE	Charge type	Charge unit	Season	Time of Use	SCP CURRENT GENERATION RATE	Mar 1, 2020 PROPOSED GENERATION RATE	Mar 1, 2020 SCP PROPOSED WITH PG&E Jan 1, 2020 SURCHARGES	Jan 1, 2020 PG&E Generation
<b><u>COMMERCIAL, INDUSTRIAL AND GENERAL SERVICE CUSTOMERS</u></b>								
E-19-S	Energy	\$/kWh	Summer	On Peak	\$0.11698	\$0.12064	\$0.14783	\$0.14783
E-19-S	Energy	\$/kWh	Summer	Part Peak	\$0.07032	\$0.07293	\$0.10012	\$0.10012
E-19-S	Energy	\$/kWh	Summer	Off Peak	\$0.03941	\$0.04134	\$0.06853	\$0.06853
E-19-S	Energy	\$/kWh	Winter	Part Peak	\$0.06392	\$0.06640	\$0.09359	\$0.09359
E-19-S	Energy	\$/kWh	Winter	Off Peak	\$0.04709	\$0.04918	\$0.07637	\$0.07637
E-19-S	Demand	\$/kW	Summer	On Peak	\$14.43	\$14.88	\$14.88	\$14.88
E-19-S	Demand	\$/kW	Summer	Part Peak	\$3.55	\$3.68	\$3.68	\$3.68
E-19-P	Energy	\$/kWh	Summer	On Peak	\$0.10593	\$0.10932	\$0.13651	\$0.13651
E-19-P	Energy	\$/kWh	Summer	Part Peak	\$0.06190	\$0.06431	\$0.09150	\$0.09150
E-19-P	Energy	\$/kWh	Summer	Off Peak	\$0.03359	\$0.03537	\$0.06256	\$0.06256
E-19-P	Energy	\$/kWh	Winter	Part Peak	\$0.05595	\$0.05823	\$0.08542	\$0.08542
E-19-P	Energy	\$/kWh	Winter	Off Peak	\$0.04057	\$0.04252	\$0.06971	\$0.06971
E-19-P	Demand	\$/kW	Summer	On Peak	\$12.84	\$13.24	\$13.24	\$13.24
E-19-P	Demand	\$/kW	Summer	Part Peak	\$3.12	\$3.22	\$3.22	\$3.22
E-19-T	Energy	\$/kWh	Summer	On Peak	\$0.06450	\$0.06697	\$0.09416	\$0.09416
E-19-T	Energy	\$/kWh	Summer	Part Peak	\$0.05004	\$0.05219	\$0.07938	\$0.07938
E-19-T	Energy	\$/kWh	Summer	Off Peak	\$0.03092	\$0.03265	\$0.05984	\$0.05984
E-19-T	Energy	\$/kWh	Winter	Part Peak	\$0.05231	\$0.05452	\$0.08171	\$0.08171
E-19-T	Energy	\$/kWh	Winter	Off Peak	\$0.03762	\$0.03950	\$0.06669	\$0.06669
E-19-T	Demand	\$/kW	Summer	On Peak	\$14.24	\$14.56	\$14.56	\$14.56
E-19-T	Demand	\$/kW	Summer	Part Peak	\$3.57	\$3.65	\$3.65	\$3.65

**Sonoma Clean Power**  
**Mar 1, 2020 Proposed Rates**

SCP RATE SCHEDULE	Charge type	Charge unit	Season	Time of Use	SCP CURRENT GENERATION RATE	Mar 1, 2020 PROPOSED GENERATION RATE	Mar 1, 2020 SCP PROPOSED WITH PG&E Jan 1, 2020 SURCHARGES	Jan 1, 2020 PG&E Generation
<b><u>COMMERCIAL, INDUSTRIAL AND GENERAL SERVICE CUSTOMERS</u></b>								
E-19-R-S	Energy	\$/kWh	Summer	On Peak	\$0.27313	\$0.28102	\$0.30821	\$0.30821
E-19-R-S	Energy	\$/kWh	Summer	Part Peak	\$0.10938	\$0.11318	\$0.14037	\$0.14037
E-19-R-S	Energy	\$/kWh	Summer	Off Peak	\$0.04366	\$0.04577	\$0.07296	\$0.07296
E-19-R-S	Energy	\$/kWh	Winter	Part Peak	\$0.06734	\$0.06994	\$0.09713	\$0.09713
E-19-R-S	Energy	\$/kWh	Winter	Off Peak	\$0.05107	\$0.05333	\$0.08052	\$0.08052
E-19-R-S	Demand	\$/kW	Summer	On Peak	\$0.00	\$0.00	\$0.00	\$0.00
E-19-R-S	Demand	\$/kW	Summer	Part Peak	\$0.00	\$0.00	\$0.00	\$0.00
E-19-R-P	Energy	\$/kWh	Summer	On Peak	\$0.25884	\$0.26642	\$0.29361	\$0.29361
E-19-R-P	Energy	\$/kWh	Summer	Part Peak	\$0.09965	\$0.10321	\$0.13040	\$0.13040
E-19-R-P	Energy	\$/kWh	Summer	Off Peak	\$0.03774	\$0.03970	\$0.06689	\$0.06689
E-19-R-P	Energy	\$/kWh	Winter	Part Peak	\$0.05934	\$0.06175	\$0.08894	\$0.08894
E-19-R-P	Energy	\$/kWh	Winter	Off Peak	\$0.04451	\$0.04660	\$0.07379	\$0.07379
E-19-R-P	Demand	\$/kW	Summer	On Peak	\$0.00	\$0.00	\$0.00	\$0.00
E-19-R-P	Demand	\$/kW	Summer	Part Peak	\$0.00	\$0.00	\$0.00	\$0.00
E-19-R-T	Energy	\$/kWh	Summer	On Peak	\$0.25191	\$0.25821	\$0.28540	\$0.28540
E-19-R-T	Energy	\$/kWh	Summer	Part Peak	\$0.09893	\$0.10211	\$0.12930	\$0.12930
E-19-R-T	Energy	\$/kWh	Summer	Off Peak	\$0.03753	\$0.03946	\$0.06665	\$0.06665
E-19-R-T	Energy	\$/kWh	Winter	Part Peak	\$0.05820	\$0.06055	\$0.08774	\$0.08774
E-19-R-T	Energy	\$/kWh	Winter	Off Peak	\$0.04401	\$0.04607	\$0.07326	\$0.07326
E-19-R-T	Demand	\$/kW	Summer	On Peak	\$0.00	\$0.00	\$0.00	\$0.00
E-19-R-T	Demand	\$/kW	Summer	Part Peak	\$0.00	\$0.00	\$0.00	\$0.00

**Sonoma Clean Power**  
**Mar 1, 2020 Proposed Rates**

SCP RATE SCHEDULE	Charge type	Charge unit	Season	Time of Use	SCP CURRENT GENERATION RATE	Mar 1, 2020 PROPOSED GENERATION RATE	Mar 1, 2020 SCP PROPOSED WITH PG&E Jan 1, 2020 SURCHARGES	Jan 1, 2020 PG&E Generation
<b><u>COMMERCIAL, INDUSTRIAL AND GENERAL SERVICE CUSTOMERS</u></b>								
E-20-S	Energy	\$/kWh	Summer	On Peak	\$0.10792	\$0.11134	\$0.13756	\$0.13756
E-20-S	Energy	\$/kWh	Summer	Part Peak	\$0.06542	\$0.06791	\$0.09413	\$0.09413
E-20-S	Energy	\$/kWh	Summer	Off Peak	\$0.03625	\$0.03808	\$0.06430	\$0.06430
E-20-S	Energy	\$/kWh	Winter	Part Peak	\$0.05925	\$0.06159	\$0.08781	\$0.08781
E-20-S	Energy	\$/kWh	Winter	Off Peak	\$0.04344	\$0.04544	\$0.07166	\$0.07166
E-20-S	Demand	\$/kW	Summer	On Peak	\$14.00	\$14.43	\$14.43	\$14.43
E-20-S	Demand	\$/kW	Summer	Part Peak	\$3.44	\$3.56	\$3.56	\$3.56
E-20-P	Energy	\$/kWh	Summer	On Peak	\$0.11231	\$0.11578	\$0.14040	\$0.14040
E-20-P	Energy	\$/kWh	Summer	Part Peak	\$0.06556	\$0.06799	\$0.09261	\$0.09261
E-20-P	Energy	\$/kWh	Summer	Off Peak	\$0.03681	\$0.03859	\$0.06321	\$0.06321
E-20-P	Energy	\$/kWh	Winter	Part Peak	\$0.05940	\$0.06169	\$0.08631	\$0.08631
E-20-P	Energy	\$/kWh	Winter	Off Peak	\$0.04387	\$0.04581	\$0.07043	\$0.07043
E-20-P	Demand	\$/kW	Summer	On Peak	\$15.34	\$15.81	\$15.81	\$15.81
E-20-P	Demand	\$/kW	Summer	Part Peak	\$3.61	\$3.74	\$3.74	\$3.74
E-20-T	Energy	\$/kWh	Summer	On Peak	\$0.06691	\$0.06932	\$0.09245	\$0.09245
E-20-T	Energy	\$/kWh	Summer	Part Peak	\$0.05273	\$0.05481	\$0.07794	\$0.07794
E-20-T	Energy	\$/kWh	Summer	Off Peak	\$0.03395	\$0.03562	\$0.05875	\$0.05875
E-20-T	Energy	\$/kWh	Winter	Part Peak	\$0.05495	\$0.05709	\$0.08022	\$0.08022
E-20-T	Energy	\$/kWh	Winter	Off Peak	\$0.04054	\$0.04235	\$0.06548	\$0.06548
E-20-T	Demand	\$/kW	Summer	On Peak	\$18.43	\$18.84	\$18.84	\$18.84
E-20-T	Demand	\$/kW	Summer	Part Peak	\$4.39	\$4.49	\$4.49	\$4.49

**Sonoma Clean Power**  
**Mar 1, 2020 Proposed Rates**

SCP RATE SCHEDULE	Charge type	Charge unit	Season	Time of Use	SCP CURRENT GENERATION RATE	Mar 1, 2020 PROPOSED GENERATION RATE	Mar 1, 2020 SCP PROPOSED WITH PG&E Jan 1, 2020 SURCHARGES	Jan 1, 2020 PG&E Generation
<b><u>COMMERCIAL, INDUSTRIAL AND GENERAL SERVICE CUSTOMERS</u></b>								
E-20-R-S	Energy	\$/kWh	Summer	On Peak	\$0.24777	\$0.25499	\$0.28121	\$0.28121
E-20-R-S	Energy	\$/kWh	Summer	Part Peak	\$0.10149	\$0.10506	\$0.13128	\$0.13128
E-20-R-S	Energy	\$/kWh	Summer	Off Peak	\$0.03986	\$0.04185	\$0.06807	\$0.06807
E-20-R-S	Energy	\$/kWh	Winter	Part Peak	\$0.06208	\$0.06453	\$0.09075	\$0.09075
E-20-R-S	Energy	\$/kWh	Winter	Off Peak	\$0.04682	\$0.04895	\$0.07517	\$0.07517
E-20-R-S	Demand	\$/kW	Summer	On Peak	\$0.00	\$0.00	\$0.00	\$0.00
E-20-R-S	Demand	\$/kW	Summer	Part Peak	\$0.00	\$0.00	\$0.00	\$0.00
E-20-R-P	Energy	\$/kWh	Summer	On Peak	\$0.26569	\$0.27322	\$0.29784	\$0.29784
E-20-R-P	Energy	\$/kWh	Summer	Part Peak	\$0.10118	\$0.10466	\$0.12928	\$0.12928
E-20-R-P	Energy	\$/kWh	Summer	Off Peak	\$0.03987	\$0.04179	\$0.06641	\$0.06641
E-20-R-P	Energy	\$/kWh	Winter	Part Peak	\$0.06169	\$0.06407	\$0.08869	\$0.08869
E-20-R-P	Energy	\$/kWh	Winter	Off Peak	\$0.04670	\$0.04876	\$0.07338	\$0.07338
E-20-R-P	Demand	\$/kW	Summer	On Peak	\$0.00	\$0.00	\$0.00	\$0.00
E-20-R-P	Demand	\$/kW	Summer	Part Peak	\$0.00	\$0.00	\$0.00	\$0.00
E-20-R-T	Energy	\$/kWh	Summer	On Peak	\$0.26030	\$0.26666	\$0.28979	\$0.28979
E-20-R-T	Energy	\$/kWh	Summer	Part Peak	\$0.09504	\$0.09802	\$0.12115	\$0.12115
E-20-R-T	Energy	\$/kWh	Summer	Off Peak	\$0.03617	\$0.03796	\$0.06109	\$0.06109
E-20-R-T	Energy	\$/kWh	Winter	Part Peak	\$0.05647	\$0.05867	\$0.08180	\$0.08180
E-20-R-T	Energy	\$/kWh	Winter	Off Peak	\$0.04253	\$0.04445	\$0.06758	\$0.06758
E-20-R-T	Demand	\$/kW	Summer	On Peak	\$0.00	\$0.00	\$0.00	\$0.00
E-20-R-T	Demand	\$/kW	Summer	Part Peak	\$0.00	\$0.00	\$0.00	\$0.00

**Sonoma Clean Power**  
**Mar 1, 2020 Proposed Rates**

SCP RATE SCHEDULE	Charge type	Charge unit	Season	Time of Use	SCP CURRENT GENERATION RATE	Mar 1, 2020 PROPOSED GENERATION RATE	Mar 1, 2020 SCP PROPOSED WITH PG&E Jan 1, 2020 SURCHARGES	Jan 1, 2020 PG&E Generation
<b><u>COMMERCIAL, INDUSTRIAL AND GENERAL SERVICE CUSTOMERS</u></b>								
B-1	Energy	\$/kWh	Summer	On Peak	\$0.14319	\$0.14955	\$0.17720	\$0.17720
B-1	Energy	\$/kWh	Summer	Part Peak	\$0.09494	\$0.10032	\$0.12797	\$0.12797
B-1	Energy	\$/kWh	Summer	Off Peak	\$0.07456	\$0.07951	\$0.10716	\$0.10716
B-1	Energy	\$/kWh	Winter	On Peak	\$0.08946	\$0.09430	\$0.12195	\$0.12195
B-1	Energy	\$/kWh	Winter	Off Peak	\$0.07366	\$0.07818	\$0.10583	\$0.10583
B-1	Energy	\$/kWh	Winter	Super Off Peak	\$0.05757	\$0.06177	\$0.08942	\$0.08942
B-10-A	Energy	\$/kWh	Summer	On Peak	\$0.16633	\$0.17167	\$0.20046	\$0.20046
B-10-A	Energy	\$/kWh	Summer	Part Peak	\$0.10587	\$0.10998	\$0.13877	\$0.13877
B-10-A	Energy	\$/kWh	Summer	Off Peak	\$0.07395	\$0.07741	\$0.10620	\$0.10620
B-10-A	Energy	\$/kWh	Winter	On Peak	\$0.10981	\$0.11363	\$0.14242	\$0.14242
B-10-A	Energy	\$/kWh	Winter	Off Peak	\$0.07504	\$0.07815	\$0.10694	\$0.10694
B-10-A	Energy	\$/kWh	Winter	Super Off Peak	\$0.03943	\$0.04181	\$0.07060	\$0.07060
B-10-A-P	Energy	\$/kWh	Summer	On Peak	\$0.15385	\$0.15893	\$0.18772	\$0.18772
B-10-A-P	Energy	\$/kWh	Summer	Part Peak	\$0.09670	\$0.10063	\$0.12942	\$0.12942
B-10-A-P	Energy	\$/kWh	Summer	Off Peak	\$0.06649	\$0.06979	\$0.09858	\$0.09858
B-10-A-P	Energy	\$/kWh	Winter	On Peak	\$0.10066	\$0.10430	\$0.13309	\$0.13309
B-10-A-P	Energy	\$/kWh	Winter	Off Peak	\$0.06771	\$0.07067	\$0.09946	\$0.09946
B-10-A-P	Energy	\$/kWh	Winter	Super Off Peak	\$0.03209	\$0.03433	\$0.06312	\$0.06312
B-6	Energy	\$/kWh	Summer	On Peak	\$0.14754	\$0.15455	\$0.18220	\$0.18220
B-6	Energy	\$/kWh	Summer	Off Peak	\$0.07873	\$0.08339	\$0.11104	\$0.11104
B-6	Energy	\$/kWh	Summer	On Peak	\$0.08618	\$0.09103	\$0.11868	\$0.11868
B-6	Energy	\$/kWh	Winter	Part Peak	\$0.06951	\$0.07398	\$0.10163	\$0.10163
B-6	Energy	\$/kWh	Winter	Super Off Peak	\$0.05342	\$0.05756	\$0.08521	\$0.08521

**Sonoma Clean Power**  
**Mar 1, 2020 Proposed Rates**

SCP RATE SCHEDULE	Charge type	Charge unit	Season	Time of Use	SCP CURRENT GENERATION RATE	Mar 1, 2020 PROPOSED GENERATION RATE	Mar 1, 2020 SCP PROPOSED WITH PG&E Jan 1, 2020 SURCHARGES	Jan 1, 2020 PG&E Generation
<b><u>COMMERCIAL, INDUSTRIAL AND GENERAL SERVICE CUSTOMERS</u></b>								
B-19-S	Energy	\$/kWh	Summer	On Peak	\$0.10937	\$0.11261	\$0.13980	\$0.13980
B-19-S	Energy	\$/kWh	Summer	Part Peak	\$0.07997	\$0.08260	\$0.10979	\$0.10979
B-19-S	Energy	\$/kWh	Summer	Off Peak	\$0.05917	\$0.06138	\$0.08857	\$0.08857
B-19-S	Energy	\$/kWh	Winter	Part Peak	\$0.09069	\$0.09355	\$0.12074	\$0.12074
B-19-S	Energy	\$/kWh	Winter	Off Peak	\$0.05908	\$0.06130	\$0.08849	\$0.08849
B-19-S	Energy	\$/kWh	Winter	Super Off Peak	\$0.01668	\$0.01802	\$0.04521	\$0.04521
B-19-S	Demand	\$/kW	Summer	On Peak	\$14.52	\$15.03	\$15.03	\$15.03
B-19-S	Demand	\$/kW	Summer	Part Peak	\$2.09	\$2.19	\$2.19	\$2.19
B-19-S	Demand	\$/kW	Winter	On Peak	\$1.75	\$1.79	\$1.79	\$1.79
B-19-P	Energy	\$/kWh	Summer	On Peak	\$0.09303	\$0.09593	\$0.12312	\$0.12312
B-19-P	Energy	\$/kWh	Summer	Part Peak	\$0.07085	\$0.07328	\$0.10047	\$0.10047
B-19-P	Energy	\$/kWh	Summer	Off Peak	\$0.05155	\$0.05359	\$0.08078	\$0.08078
B-19-P	Energy	\$/kWh	Winter	Part Peak	\$0.08101	\$0.08365	\$0.11084	\$0.11084
B-19-P	Energy	\$/kWh	Winter	Off Peak	\$0.05168	\$0.05372	\$0.08091	\$0.08091
B-19-P	Energy	\$/kWh	Winter	Super Off Peak	\$0.00994	\$0.01113	\$0.03832	\$0.03832
B-19-P	Demand	\$/kW	Summer	On Peak	\$12.32	\$12.77	\$12.77	\$12.77
B-19-P	Demand	\$/kW	Summer	Part Peak	\$1.78	\$1.87	\$1.87	\$1.87
B-19-P	Demand	\$/kW	Winter	On Peak	\$1.28	\$1.31	\$1.31	\$1.31
B-19-T	Energy	\$/kWh	Summer	On Peak	\$0.07909	\$0.08169	\$0.10888	\$0.10888
B-19-T	Energy	\$/kWh	Summer	Part Peak	\$0.07011	\$0.07254	\$0.09973	\$0.09973
B-19-T	Energy	\$/kWh	Summer	Off Peak	\$0.05101	\$0.05304	\$0.08023	\$0.08023
B-19-T	Energy	\$/kWh	Winter	Part Peak	\$0.08028	\$0.08291	\$0.11010	\$0.11010
B-19-T	Energy	\$/kWh	Winter	Off Peak	\$0.05126	\$0.05330	\$0.08049	\$0.08049
B-19-T	Energy	\$/kWh	Winter	Super Off Peak	\$0.00857	\$0.00973	\$0.03692	\$0.03692
B-19-T	Demand	\$/kW	Summer	On Peak	\$9.48	\$9.67	\$9.67	\$9.67
B-19-T	Demand	\$/kW	Summer	Part Peak	\$2.37	\$2.42	\$2.42	\$2.42
B-19-T	Demand	\$/kW	Winter	On Peak	\$0.91	\$0.93	\$0.93	\$0.93

**Sonoma Clean Power**  
**Mar 1, 2020 Proposed Rates**

SCP RATE SCHEDULE	Charge type	Charge unit	Season	Time of Use	SCP CURRENT GENERATION RATE	Mar 1, 2020 PROPOSED GENERATION RATE	Mar 1, 2020 SCP PROPOSED WITH PG&E Jan 1, 2020 SURCHARGES	Jan 1, 2020 PG&E Generation
<b><u>COMMERCIAL, INDUSTRIAL AND GENERAL SERVICE CUSTOMERS</u></b>								
B-19-R-S	Energy	\$/kWh	Summer	On Peak	\$0.23232	\$0.23957	\$0.26676	\$0.26676
B-19-R-S	Energy	\$/kWh	Summer	Part Peak	\$0.10043	\$0.10400	\$0.13119	\$0.13119
B-19-R-S	Energy	\$/kWh	Summer	Off Peak	\$0.06313	\$0.06550	\$0.09269	\$0.09269
B-19-R-S	Energy	\$/kWh	Winter	Part Peak	\$0.10460	\$0.10774	\$0.13493	\$0.13493
B-19-R-S	Energy	\$/kWh	Winter	Off Peak	\$0.06314	\$0.06543	\$0.09262	\$0.09262
B-19-R-S	Energy	\$/kWh	Winter	Super Off Peak	\$0.02804	\$0.02961	\$0.05680	\$0.05680
B-19-R-P	Energy	\$/kWh	Summer	On Peak	\$0.20903	\$0.21588	\$0.24307	\$0.24307
B-19-R-P	Energy	\$/kWh	Summer	Part Peak	\$0.08899	\$0.09234	\$0.11953	\$0.11953
B-19-R-P	Energy	\$/kWh	Summer	Off Peak	\$0.05474	\$0.05694	\$0.08413	\$0.08413
B-19-R-P	Energy	\$/kWh	Winter	Part Peak	\$0.09184	\$0.09471	\$0.12190	\$0.12190
B-19-R-P	Energy	\$/kWh	Winter	Off Peak	\$0.05494	\$0.05705	\$0.08424	\$0.08424
B-19-R-P	Energy	\$/kWh	Winter	Super Off Peak	\$0.01984	\$0.02123	\$0.04842	\$0.04842
B-19-R-T	Energy	\$/kWh	Summer	On Peak	\$0.17601	\$0.18059	\$0.20778	\$0.20778
B-19-R-T	Energy	\$/kWh	Summer	Part Peak	\$0.09614	\$0.09909	\$0.12628	\$0.12628
B-19-R-T	Energy	\$/kWh	Summer	Off Peak	\$0.05483	\$0.05694	\$0.08413	\$0.08413
B-19-R-T	Energy	\$/kWh	Winter	Part Peak	\$0.08805	\$0.09083	\$0.11802	\$0.11802
B-19-R-T	Energy	\$/kWh	Winter	Off Peak	\$0.05504	\$0.05715	\$0.08434	\$0.08434
B-19-R-T	Energy	\$/kWh	Winter	Super Off Peak	\$0.01994	\$0.02133	\$0.04852	\$0.04852

**Sonoma Clean Power**  
**Mar 1, 2020 Proposed Rates**

SCP RATE SCHEDULE	Charge type	Charge unit	Season	Time of Use	SCP CURRENT GENERATION RATE	Mar 1, 2020 PROPOSED GENERATION RATE	Mar 1, 2020 SCP PROPOSED WITH PG&E Jan 1, 2020 SURCHARGES	Jan 1, 2020 PG&E Generation
<b><u>COMMERCIAL, INDUSTRIAL AND GENERAL SERVICE CUSTOMERS</u></b>								
B-19-S-S	Energy	\$/kWh	Summer	On Peak	\$0.23232	\$0.23957	\$0.26676	\$0.26676
B-19-S-S	Energy	\$/kWh	Summer	Part Peak	\$0.10043	\$0.10400	\$0.13119	\$0.13119
B-19-S-S	Energy	\$/kWh	Summer	Off Peak	\$0.06313	\$0.06550	\$0.09269	\$0.09269
B-19-S-S	Energy	\$/kWh	Winter	Part Peak	\$0.10460	\$0.10774	\$0.13493	\$0.13493
B-19-S-S	Energy	\$/kWh	Winter	Off Peak	\$0.06314	\$0.06543	\$0.09262	\$0.09262
B-19-S-S	Energy	\$/kWh	Winter	Super Off Peak	\$0.02804	\$0.02961	\$0.05680	\$0.05680
B-19-S-P	Energy	\$/kWh	Summer	On Peak	\$0.21520	\$0.21588	\$0.24307	\$0.24307
B-19-S-P	Energy	\$/kWh	Summer	Part Peak	\$0.08899	\$0.09234	\$0.11953	\$0.11953
B-19-S-P	Energy	\$/kWh	Summer	Off Peak	\$0.05474	\$0.05694	\$0.08413	\$0.08413
B-19-S-P	Energy	\$/kWh	Winter	Part Peak	\$0.09184	\$0.09471	\$0.12190	\$0.12190
B-19-S-P	Energy	\$/kWh	Winter	Off Peak	\$0.05494	\$0.05705	\$0.08424	\$0.08424
B-19-S-P	Energy	\$/kWh	Winter	Super Off Peak	\$0.01984	\$0.02123	\$0.04842	\$0.04842
B-19-S-T	Energy	\$/kWh	Summer	On Peak	\$0.17601	\$0.18059	\$0.20778	\$0.20778
B-19-S-T	Energy	\$/kWh	Summer	Part Peak	\$0.09614	\$0.09909	\$0.12628	\$0.12628
B-19-S-T	Energy	\$/kWh	Summer	Off Peak	\$0.05483	\$0.05694	\$0.08413	\$0.08413
B-19-S-T	Energy	\$/kWh	Winter	Part Peak	\$0.08805	\$0.09083	\$0.11802	\$0.11802
B-19-S-T	Energy	\$/kWh	Winter	Off Peak	\$0.05504	\$0.05715	\$0.08434	\$0.08434
B-19-S-T	Energy	\$/kWh	Winter	Super Off Peak	\$0.01994	\$0.02133	\$0.04852	\$0.04852



**Sonoma Clean Power**  
**Mar 1, 2020 Proposed Rates**

SCP RATE SCHEDULE	Charge type	Charge unit	Season	Time of Use	SCP CURRENT GENERATION RATE	Mar 1, 2020 PROPOSED GENERATION RATE	Mar 1, 2020 SCP PROPOSED WITH PG&E Jan 1, 2020 SURCHARGES	Jan 1, 2020 PG&E Generation
<b><u>COMMERCIAL, INDUSTRIAL AND GENERAL SERVICE CUSTOMERS</u></b>								
B-20-S	Energy	\$/kWh	Summer	On Peak	\$0.10533	\$0.10847	\$0.13469	\$0.13469
B-20-S	Energy	\$/kWh	Summer	Part Peak	\$0.07849	\$0.08108	\$0.10730	\$0.10730
B-20-S	Energy	\$/kWh	Summer	Off Peak	\$0.05729	\$0.05945	\$0.08567	\$0.08567
B-20-S	Energy	\$/kWh	Winter	Part Peak	\$0.08933	\$0.09215	\$0.11837	\$0.11837
B-20-S	Energy	\$/kWh	Winter	Off Peak	\$0.05713	\$0.05928	\$0.08550	\$0.08550
B-20-S	Energy	\$/kWh	Winter	Super Off Peak	\$0.01396	\$0.01523	\$0.04145	\$0.04145
B-20-S	Demand	\$/kW	Summer	On Peak	\$14.36	\$14.87	\$14.87	\$14.87
B-20-S	Demand	\$/kW	Summer	Part Peak	\$2.06	\$2.16	\$2.16	\$2.16
B-20-S	Demand	\$/kW	Winter	On Peak	\$1.86	\$1.90	\$1.90	\$1.90
B-20-P	Energy	\$/kWh	Summer	On Peak	\$0.10144	\$0.10444	\$0.12906	\$0.12906
B-20-P	Energy	\$/kWh	Summer	Part Peak	\$0.07341	\$0.07584	\$0.10046	\$0.10046
B-20-P	Energy	\$/kWh	Summer	Off Peak	\$0.05386	\$0.05588	\$0.08050	\$0.08050
B-20-P	Energy	\$/kWh	Winter	Part Peak	\$0.08360	\$0.08624	\$0.11086	\$0.11086
B-20-P	Energy	\$/kWh	Winter	Off Peak	\$0.05392	\$0.05594	\$0.08056	\$0.08056
B-20-P	Energy	\$/kWh	Winter	Super Off Peak	\$0.01179	\$0.01296	\$0.03758	\$0.03758
B-20-P	Demand	\$/kW	Summer	On Peak	\$15.59	\$16.11	\$16.11	\$16.11
B-20-P	Demand	\$/kW	Summer	Part Peak	\$2.11	\$2.21	\$2.21	\$2.21
B-20-P	Demand	\$/kW	Winter	On Peak	\$1.81	\$1.85	\$1.85	\$1.85
B-20-T	Energy	\$/kWh	Summer	On Peak	\$0.08377	\$0.08636	\$0.10949	\$0.10949
B-20-T	Energy	\$/kWh	Summer	Part Peak	\$0.06659	\$0.06884	\$0.09197	\$0.09197
B-20-T	Energy	\$/kWh	Summer	Off Peak	\$0.04742	\$0.04927	\$0.07240	\$0.07240
B-20-T	Energy	\$/kWh	Winter	Part Peak	\$0.08294	\$0.08552	\$0.10865	\$0.10865
B-20-T	Energy	\$/kWh	Winter	Off Peak	\$0.04395	\$0.04573	\$0.06886	\$0.06886
B-20-T	Energy	\$/kWh	Winter	Super Off Peak	\$0.00501	\$0.00599	\$0.02912	\$0.02912
B-20-T	Demand	\$/kW	Summer	On Peak	\$17.75	\$18.11	\$18.11	\$18.11
B-20-T	Demand	\$/kW	Summer	Part Peak	\$4.22	\$4.31	\$4.31	\$4.31
B-20-T	Demand	\$/kW	Winter	On Peak	\$2.37	\$2.42	\$2.42	\$2.42

**Sonoma Clean Power**  
**Mar 1, 2020 Proposed Rates**

SCP RATE SCHEDULE	Charge type	Charge unit	Season	Time of Use	SCP CURRENT GENERATION RATE	Mar 1, 2020 PROPOSED GENERATION RATE	Mar 1, 2020 SCP PROPOSED WITH PG&E Jan 1, 2020 SURCHARGES	Jan 1, 2020 PG&E Generation
<b><u>COMMERCIAL, INDUSTRIAL AND GENERAL SERVICE CUSTOMERS</u></b>								
B-20-R-S	Energy	\$/kWh	Summer	On Peak	\$0.22689	\$0.23402	\$0.26024	\$0.26024
B-20-R-S	Energy	\$/kWh	Summer	Part Peak	\$0.09780	\$0.10127	\$0.12749	\$0.12749
B-20-R-S	Energy	\$/kWh	Summer	Off Peak	\$0.06152	\$0.06381	\$0.09003	\$0.09003
B-20-R-S	Energy	\$/kWh	Winter	Part Peak	\$0.10429	\$0.10741	\$0.13363	\$0.13363
B-20-R-S	Energy	\$/kWh	Winter	Off Peak	\$0.06143	\$0.06367	\$0.08989	\$0.08989
B-20-R-S	Energy	\$/kWh	Winter	Super Off Peak	\$0.02640	\$0.02793	\$0.05415	\$0.05415
B-20-R-P	Energy	\$/kWh	Summer	On Peak	\$0.21652	\$0.22314	\$0.24776	\$0.24776
B-20-R-P	Energy	\$/kWh	Summer	Part Peak	\$0.09104	\$0.09425	\$0.11887	\$0.11887
B-20-R-P	Energy	\$/kWh	Summer	Off Peak	\$0.05739	\$0.05954	\$0.08416	\$0.08416
B-20-R-P	Energy	\$/kWh	Winter	Part Peak	\$0.09675	\$0.09966	\$0.12428	\$0.12428
B-20-R-P	Energy	\$/kWh	Winter	Off Peak	\$0.05749	\$0.05959	\$0.08421	\$0.08421
B-20-R-P	Energy	\$/kWh	Winter	Super Off Peak	\$0.02246	\$0.02384	\$0.04846	\$0.04846
B-20-R-T	Energy	\$/kWh	Summer	On Peak	\$0.21728	\$0.22259	\$0.24572	\$0.24572
B-20-R-T	Energy	\$/kWh	Summer	Part Peak	\$0.10102	\$0.10397	\$0.12710	\$0.12710
B-20-R-T	Energy	\$/kWh	Summer	Off Peak	\$0.05178	\$0.05372	\$0.07685	\$0.07685
B-20-R-T	Energy	\$/kWh	Winter	Part Peak	\$0.10087	\$0.10381	\$0.12694	\$0.12694
B-20-R-T	Energy	\$/kWh	Winter	Off Peak	\$0.04891	\$0.05080	\$0.07393	\$0.07393
B-20-R-T	Energy	\$/kWh	Winter	Super Off Peak	\$0.01677	\$0.01800	\$0.04113	\$0.04113

**Sonoma Clean Power**  
**Mar 1, 2020 Proposed Rates**

SCP RATE SCHEDULE	Charge type	Charge unit	Season	Time of Use	SCP CURRENT GENERATION RATE	Mar 1, 2020 PROPOSED GENERATION RATE	Mar 1, 2020 SCP PROPOSED WITH PG&E Jan 1, 2020 SURCHARGES	Jan 1, 2020 PG&E Generation
<b><u>COMMERCIAL, INDUSTRIAL AND GENERAL SERVICE CUSTOMERS</u></b>								
B-20-S-S	Energy	\$/kWh	Summer	On Peak	\$0.22689	\$0.23402	\$0.26024	\$0.26024
B-20-S-S	Energy	\$/kWh	Summer	Part Peak	\$0.09780	\$0.10127	\$0.12749	\$0.12749
B-20-S-S	Energy	\$/kWh	Summer	Off Peak	\$0.06152	\$0.06381	\$0.09003	\$0.09003
B-20-S-S	Energy	\$/kWh	Winter	Part Peak	\$0.10429	\$0.10741	\$0.13363	\$0.13363
B-20-S-S	Energy	\$/kWh	Winter	Off Peak	\$0.06143	\$0.06368	\$0.08990	\$0.08990
B-20-S-S	Energy	\$/kWh	Winter	Super Off Peak	\$0.02640	\$0.02793	\$0.05415	\$0.05415
B-20-S-P	Energy	\$/kWh	Summer	On Peak	\$0.21652	\$0.22314	\$0.24776	\$0.24776
B-20-S-P	Energy	\$/kWh	Summer	Part Peak	\$0.09104	\$0.09425	\$0.11887	\$0.11887
B-20-S-P	Energy	\$/kWh	Summer	Off Peak	\$0.05739	\$0.05954	\$0.08416	\$0.08416
B-20-S-P	Energy	\$/kWh	Winter	Part Peak	\$0.09675	\$0.09966	\$0.12428	\$0.12428
B-20-S-P	Energy	\$/kWh	Winter	Off Peak	\$0.05749	\$0.05959	\$0.08421	\$0.08421
B-20-S-P	Energy	\$/kWh	Winter	Super Off Peak	\$0.02246	\$0.02384	\$0.04846	\$0.04846
B-20-S-T	Energy	\$/kWh	Summer	On Peak	\$0.21728	\$0.22259	\$0.24572	\$0.24572
B-20-S-T	Energy	\$/kWh	Summer	Part Peak	\$0.10102	\$0.10397	\$0.12710	\$0.12710
B-20-S-T	Energy	\$/kWh	Summer	Off Peak	\$0.05178	\$0.05372	\$0.07685	\$0.07685
B-20-S-T	Energy	\$/kWh	Winter	Part Peak	\$0.10087	\$0.10381	\$0.12694	\$0.12694
B-20-S-T	Energy	\$/kWh	Winter	Off Peak	\$0.04891	\$0.05080	\$0.07393	\$0.07393
B-20-S-T	Energy	\$/kWh	Winter	Super Off Peak	\$0.01677	\$0.01800	\$0.04113	\$0.04113

**Sonoma Clean Power**  
**Mar 1, 2020 Proposed Rates**

SCP RATE SCHEDULE	Charge type	Charge unit	Season	Time of Use	SCP CURRENT GENERATION RATE	Mar 1, 2020 PROPOSED GENERATION RATE	Mar 1, 2020 SCP PROPOSED WITH PG&E Jan 1, 2020 SURCHARGES	Jan 1, 2020 PG&E Generation
<b><u>AGRICULTURAL CUSTOMERS</u></b>								
AG-1-A	Energy	\$/kWh	Summer	Total	\$0.08257	\$0.08874	\$0.11331	\$0.11331
AG-1-A	Energy	\$/kWh	Winter	Total	\$0.06256	\$0.06731	\$0.09188	\$0.09188
AG-1-A	Connected Load	\$/kW	Summer	Total	\$1.39	\$1.56	\$1.56	\$1.56
AG-1-B	Energy	\$/kWh	Summer	Total	\$0.08716	\$0.09250	\$0.11707	\$0.11707
AG-1-B	Energy	\$/kWh	Winter	total	\$0.06368	\$0.06785	\$0.09242	\$0.09242
AG-1-B	Demand	\$/kW	Summer	Total	\$2.09	\$2.35	\$2.35	\$2.35
AG-1-A-P	Energy	\$/kWh	Summer	Total	\$0.08257	\$0.08874	\$0.11331	\$0.11331
AG-1-A-P	Energy	\$/kWh	Winter	Total	\$0.06256	\$0.06731	\$0.09188	\$0.09188
AG-1-A-P	Connected Load	\$/kW	Summer	Total	\$1.39	\$1.56	\$1.56	\$1.56
AG-1-B-P	Energy	\$/kWh	Summer	Total	\$0.08716	\$0.09250	\$0.11707	\$0.11707
AG-1-B-P	Energy	\$/kWh	Winter	Total	\$0.06368	\$0.06785	\$0.09242	\$0.09242
AG-1-B-P	Demand	\$/kW	Summer	Total	\$1.24	\$1.48	\$1.48	\$1.48
AG-R-A	Energy	\$/kWh	Summer	On Peak	\$0.26659	\$0.27828	\$0.30285	\$0.30285
AG-R-A	Energy	\$/kWh	Summer	Off Peak	\$0.05082	\$0.05493	\$0.07950	\$0.07950
AG-R-A	Energy	\$/kWh	Winter	Part Peak	\$0.05869	\$0.06288	\$0.08745	\$0.08745
AG-R-A	Energy	\$/kWh	Winter	Off Peak	\$0.04706	\$0.05051	\$0.07508	\$0.07508
AG-R-A	Connected Load	\$/kW	Summer	Total	\$1.39	\$1.54	\$1.54	\$1.54
AG-R-B	Energy	\$/kWh	Summer	On Peak	\$0.23927	\$0.24985	\$0.27442	\$0.27442
AG-R-B	Energy	\$/kWh	Summer	Off Peak	\$0.05033	\$0.05423	\$0.07880	\$0.07880
AG-R-B	Energy	\$/kWh	Winter	Part Peak	\$0.04438	\$0.04804	\$0.07261	\$0.07261
AG-R-B	Energy	\$/kWh	Winter	Off Peak	\$0.03482	\$0.03785	\$0.06242	\$0.06242
AG-R-B	Demand	\$/kW	Summer	Total	\$2.07	\$2.28	\$2.28	\$2.28
AG-R-B	Demand	\$/kW	Summer	On Peak	\$2.48	\$2.57	\$2.57	\$2.57

**Sonoma Clean Power**  
**Mar 1, 2020 Proposed Rates**

SCP RATE SCHEDULE	Charge type	Charge unit	Season	Time of Use	SCP CURRENT GENERATION RATE	Mar 1, 2020 PROPOSED GENERATION RATE	Mar 1, 2020 SCP PROPOSED WITH PG&E Jan 1, 2020 SURCHARGES	Jan 1, 2020 PG&E Generation
<b><u>AGRICULTURAL CUSTOMERS</u></b>								
AG-V-A	Energy	\$/kWh	Summer	On Peak	\$0.22999	\$0.24093	\$0.26550	\$0.26550
AG-V-A	Energy	\$/kWh	Summer	Off Peak	\$0.04783	\$0.05187	\$0.07644	\$0.07644
AG-V-A	Energy	\$/kWh	Winter	Part Peak	\$0.05694	\$0.06116	\$0.08573	\$0.08573
AG-V-A	Energy	\$/kWh	Winter	Off Peak	\$0.04559	\$0.04905	\$0.07362	\$0.07362
AG-V-A	Connected Load	\$/kW	Summer	Total	\$1.46	\$1.61	\$1.61	\$1.61
AG-V-B	Energy	\$/kWh	Summer	On Peak	\$0.21375	\$0.22362	\$0.24819	\$0.24819
AG-V-B	Energy	\$/kWh	Summer	Off Peak	\$0.04889	\$0.05270	\$0.07727	\$0.07727
AG-V-B	Energy	\$/kWh	Winter	Part Peak	\$0.04515	\$0.04876	\$0.07333	\$0.07333
AG-V-B	Energy	\$/kWh	Winter	Off Peak	\$0.03541	\$0.03842	\$0.06299	\$0.06299
AG-V-B	Demand	\$/kW	Summer	Total	\$1.90	\$2.12	\$2.12	\$2.12
AG-V-B	Demand	\$/kW	Summer	On Peak	\$2.64	\$2.73	\$2.73	\$2.73
AG-4-A	Energy	\$/kWh	Summer	On Peak	\$0.14703	\$0.15683	\$0.18140	\$0.18140
AG-4-A	Energy	\$/kWh	Summer	Off Peak	\$0.05207	\$0.05638	\$0.08095	\$0.08095
AG-4-A	Energy	\$/kWh	Winter	Part Peak	\$0.05648	\$0.06094	\$0.08551	\$0.08551
AG-4-A	Energy	\$/kWh	Winter	Off Peak	\$0.04535	\$0.04897	\$0.07354	\$0.07354
AG-4-A	Connected Load	\$/kW	Summer	Total	\$1.40	\$1.58	\$1.58	\$1.58
AG-4-B	Energy	\$/kWh	Summer	On Peak	\$0.10780	\$0.11429	\$0.13886	\$0.13886
AG-4-B	Energy	\$/kWh	Summer	Off Peak	\$0.05420	\$0.05772	\$0.08229	\$0.08229
AG-4-B	Energy	\$/kWh	Winter	Part Peak	\$0.05225	\$0.05578	\$0.08035	\$0.08035
AG-4-B	Energy	\$/kWh	Winter	Off Peak	\$0.04143	\$0.04441	\$0.06898	\$0.06898
AG-4-B	Demand	\$/kW	Summer	Total	\$2.56	\$2.78	\$2.78	\$2.78
AG-4-B	Demand	\$/kW	Summer	On Peak	\$2.83	\$2.96	\$2.96	\$2.96

**Sonoma Clean Power**  
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<b><u>AGRICULTURAL CUSTOMERS</u></b>								
AG-4-C	Energy	\$/kWh	Summer	On Peak	\$0.12898	\$0.13495	\$0.15952	\$0.15952
AG-4-C	Energy	\$/kWh	Summer	Part Peak	\$0.06379	\$0.06731	\$0.09188	\$0.09188
AG-4-C	Energy	\$/kWh	Summer	Off Peak	\$0.04006	\$0.04272	\$0.06729	\$0.06729
AG-4-C	Energy	\$/kWh	Winter	Part Peak	\$0.04676	\$0.04971	\$0.07428	\$0.07428
AG-4-C	Energy	\$/kWh	Winter	Off Peak	\$0.03658	\$0.03915	\$0.06372	\$0.06372
AG-4-C	Demand	\$/kW	Summer	On Peak	\$6.59	\$6.87	\$6.87	\$6.87
AG-4-C	Demand	\$/kW	Summer	Part Peak	\$1.06	\$1.17	\$1.17	\$1.17
AG-4-D	Energy	\$/kWh	Summer	On Peak	\$0.14703	\$0.15683	\$0.18140	\$0.18140
AG-4-D	Energy	\$/kWh	Summer	Off Peak	\$0.05207	\$0.05638	\$0.08095	\$0.08095
AG-4-D	Energy	\$/kWh	Winter	Part Peak	\$0.05648	\$0.06094	\$0.08551	\$0.08551
AG-4-D	Energy	\$/kWh	Winter	Off Peak	\$0.04535	\$0.04897	\$0.07354	\$0.07354
AG-4-D	Connected Load	\$/kW	Summer	Total	\$1.40	\$1.58	\$1.58	\$1.58
AG-4-E	Energy	\$/kWh	Summer	On Peak	\$0.10780	\$0.11429	\$0.13886	\$0.13886
AG-4-E	Energy	\$/kWh	Summer	Off Peak	\$0.05420	\$0.05772	\$0.08229	\$0.08229
AG-4-E	Energy	\$/kWh	Winter	Part Peak	\$0.05225	\$0.05578	\$0.08035	\$0.08035
AG-4-E	Energy	\$/kWh	Winter	Off Peak	\$0.04143	\$0.04441	\$0.06898	\$0.06898
AG-4-E	Demand	\$/kW	Summer	Total	\$2.56	\$2.78	\$2.78	\$2.78
AG-4-E	Demand	\$/kW	Summer	On Peak	\$2.83	\$2.96	\$2.96	\$2.96
AG-5-A	Energy	\$/kWh	Summer	On Peak	\$0.13714	\$0.14399	\$0.16856	\$0.16856
AG-5-A	Energy	\$/kWh	Summer	Off Peak	\$0.05754	\$0.06107	\$0.08564	\$0.08564
AG-5-A	Energy	\$/kWh	Winter	Part Peak	\$0.06119	\$0.06490	\$0.08947	\$0.08947
AG-5-A	Energy	\$/kWh	Winter	Off Peak	\$0.04926	\$0.05241	\$0.07698	\$0.07698
AG-5-A	Connected Load	\$/kW	Summer	Total	\$4.02	\$4.29	\$4.29	\$4.29

**Sonoma Clean Power**  
**Mar 1, 2020 Proposed Rates**

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<b><u>AGRICULTURAL CUSTOMERS</u></b>								
AG-5-B	Energy	\$/kWh	Summer	On Peak	\$0.13637	\$0.14110	\$0.16567	\$0.16567
AG-5-B	Energy	\$/kWh	Summer	Off Peak	\$0.03134	\$0.03344	\$0.05801	\$0.05801
AG-5-B	Energy	\$/kWh	Winter	Part Peak	\$0.05333	\$0.05588	\$0.08045	\$0.08045
AG-5-B	Energy	\$/kWh	Winter	Off Peak	\$0.02225	\$0.02416	\$0.04873	\$0.04873
AG-5-B	Demand	\$/kW	Summer	Total	\$4.87	\$5.22	\$5.22	\$5.22
AG-5-B	Demand	\$/kW	Summer	On Peak	\$6.30	\$6.53	\$6.53	\$6.53
AG-5-C	Energy	\$/kWh	Summer	On Peak	\$0.10962	\$0.11331	\$0.13788	\$0.13788
AG-5-C	Energy	\$/kWh	Summer	Part Peak	\$0.05397	\$0.05652	\$0.08109	\$0.08109
AG-5-C	Energy	\$/kWh	Summer	Off Peak	\$0.03325	\$0.03538	\$0.05995	\$0.05995
AG-5-C	Energy	\$/kWh	Winter	Part Peak	\$0.03946	\$0.04171	\$0.06628	\$0.06628
AG-5-C	Energy	\$/kWh	Winter	Off Peak	\$0.03004	\$0.03210	\$0.05667	\$0.05667
AG-5-C	Demand	\$/kW	Summer	On Peak	\$11.71	\$12.11	\$12.11	\$12.11
AG-5-C	Demand	\$/kW	Summer	Part Peak	\$2.19	\$2.28	\$2.28	\$2.28
AG-5-D	Energy	\$/kWh	Summer	On Peak	\$0.13714	\$0.14399	\$0.16856	\$0.16856
AG-5-D	Energy	\$/kWh	Summer	Off Peak	\$0.05754	\$0.06107	\$0.08564	\$0.08564
AG-5-D	Energy	\$/kWh	Winter	Part Peak	\$0.06119	\$0.06490	\$0.08947	\$0.08947
AG-5-D	Energy	\$/kWh	Winter	Off Peak	\$0.04926	\$0.05241	\$0.07698	\$0.07698
AG-5-D	Connected Load	\$/kW	Summer	Total	\$4.02	\$4.29	\$4.29	\$4.29
AG-5-E	Energy	\$/kWh	Summer	On Peak	\$0.13637	\$0.14110	\$0.16567	\$0.16567
AG-5-E	Energy	\$/kWh	Summer	Off Peak	\$0.03134	\$0.03344	\$0.05801	\$0.05801
AG-5-E	Energy	\$/kWh	Winter	Part Peak	\$0.05333	\$0.05588	\$0.08045	\$0.08045
AG-5-E	Energy	\$/kWh	Winter	Off Peak	\$0.02225	\$0.02416	\$0.04873	\$0.04873
AG-5-E	Demand	\$/kW	Summer	Total	\$4.87	\$5.22	\$5.22	\$5.22
AG-5-E	Demand	\$/kW	Summer	On Peak	\$6.30	\$6.53	\$6.53	\$6.53

**Sonoma Clean Power**  
**Mar 1, 2020 Proposed Rates**

SCP RATE SCHEDULE	Charge type	Charge unit	Season	Time of Use	SCP CURRENT GENERATION RATE	Mar 1, 2020 PROPOSED GENERATION RATE	Mar 1, 2020 SCP PROPOSED WITH PG&E Jan 1, 2020 SURCHARGES	Jan 1, 2020 PG&E Generation
<b><u>STREET AND OUTDOOR LIGHTING</u></b>								
LS-1	Energy	\$/kWh	All	Total	\$0.06644	\$0.07009	\$0.09389	\$0.09389
OL-1	Energy	\$/kWh	All	Total	\$0.06630	\$0.07009	\$0.09389	\$0.09389
TC-1	Energy	\$/kWh	All	Total	\$0.07287	\$0.07709	\$0.10474	\$0.10474
<b><u>EVERGREEN- 100% LOCAL RENEWABLE OPTION</u></b>								
Customers electing the <u>100% Local Renewable service</u> option will pay the otherwise appl								
	Energy	\$/kWh	All	Total	\$0.02500	\$0.02500		



## Staff Report – Item 09

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**To:** Sonoma Clean Power Authority Board of Directors  
**From:** Geof Syphers, CEO  
**Issue:** Adopt Policy Governing Preferred Resources for Serving Multiple SCP Customers During Public Safety Power Shutoffs  
**Date:** February 6, 2020

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### Recommendation:

Adopt the proposed policy governing preferred resources for generating electricity in microgrids during Public Safety Power Shutoffs and other situations involving electric service to multiple SCP customers while disconnected from the grid.

### Background:

Some of the rural and coastal areas in SCP's territory have experienced frequent power outages for many years, but PG&E's recent implementation of Public Safety Power Shutoffs (PSPS) has dramatically expanded the number of customers experiencing long outages. The reaction has been swift:

- Customers have purchased tens of thousands of gasoline-powered generators
- Customers with solar power have begun installing batteries
- the State has funded an expansion of the Self Generation Incentive Program (SGIP) which has the potential to accelerate battery adoption
- PG&E recently solicited for power generating resources to be collocated with substations it deems at high risk for long-term PSPS outages due to the high cost of repairing and hardening transmission lines
- Community groups have begun organizing to design and construct microgrids.

The backup power resources a single customer is allowed to use are governed by federal and state agencies, such as the EPA and the California Air Resources Board. SCP has no jurisdiction over behind-the-meter technology, but has an interest in incentivizing and promoting clean power. For that reason, SCP is opening the Advanced Energy Center later in 2020, which will include information about clean back-up power solutions and financing options for the installation.

The resources used to serve multiple SCP customers, however, falls under the jurisdiction of SCP's governing board due to SCP's obligation to procure all energy resources used to serve its customers. Until recently, SCP's Integrated Resource Plan has served this need well by stating the Board's preferred electricity generating resources. However, that plan does not anticipate the different needs of microgrids, and does not yet provide guidance to those projects. Given the urgent need for local microgrid solutions, staff recommend the Board adopt a policy governing resource types that would later be incorporated into SCP's 2020 update to its Integrated Resource Plan.

### **Discussion:**

The operation of microgrids typically requires some additional elements that are not needed in significant quantity on the grid. These include additional storage or stored fuel, load prioritization and/or demand management controls and in many cases a different standard for reliability.

Most operating microgrids in California today are owned and managed by a single entity, such as a college campus or a complex of medical buildings operated by a single company. In the near future, microgrids will likely include more complex mixes of customers, such as all of the homes and businesses in a rural town, or all of the customers on a single distribution circuit, or potentially as large as all of the customers connected to a single substation.

Three example microgrid projects help illustrate the different scenarios SCP is planning for:

- Santa Rosa Junior College – the SRJC has an existing microgrid operating to serve a single campus with multiple buildings, but all owned and operated by a single entity behind a single utility meter. SCP has no jurisdiction over the operation of this microgrid, and is focused only on incentivizing and encouraging the use of clean power options for situations like this.
- Oakmont Retirement Community – this large retirement community is exploring the construction of islanding capability for its community centers (single parcel with a single utility meter) and also the potential construction of a large-scale, multi-home microgrid. The community center option is like the SRJC, where SCP has no jurisdiction but seeks to encourage clean power solutions. The second multiple-home option falls within SCP's jurisdiction, and therefore SCP should provide clear guidance on the resources such a microgrid may use.
- PG&E Substation Generation – PG&E has informed SCP that seven substations in Sonoma and Mendocino Counties may experience transmission PSPS outages for the foreseeable future because, according to PG&E, it may not be cost effective or timely to repair and harden the transmission lines feeding those substations. As a result, PG&E is seeking proposals for new power generation resources to construct on its property at these substations. If PG&E is correct and the transmission cannot be cost-effectively repaired, then this is a

case where PG&E cannot deliver electricity without adding local generation, and such project is effectively a “transmission and delivery” cost, which must obtain CPUC approval for including in all PG&E delivery customer rates. PG&E must also receive SCP approval for the specific generating resources selected, since those resources will serve SCP customers with energy during PSPS events. This dual regulatory oversight makes the speedy adoption of a clear policy from SCP important so that PG&E can proceed with the important work of repairing its grid to a state that is capable of providing reliable power again.

## What is a Microgrid?

A microgrid is a local energy grid with control capability, which means it can disconnect from the traditional grid and operate autonomously. Generally, microgrids have four elements: (1) a switch to “island” from the big grid and allow the microgrid to operate without sending power back onto the big grid; (2) a power generator of some kind; (3) storage such as battery or stored fuel; and (4) controls that prioritize loads.

## Recommended Policy

Staff recommends the SCP Board adopt a policy which establishes the following procedure and preferred resources:

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 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.

### **Fiscal Impact:**

SCP bears no direct financial responsibility for microgrid construction or the resolution of PSPS events. However, the community's financial interest in eliminating or greatly reducing the harm from PSPS events while also meeting SCP's climate goals is significant, though impossible to quantify.