



**AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, OCTOBER 1, 2020
8:45 A.M.**

******GOVERNOR'S EXECUTIVE ORDER N-25-20******

******GOVERNOR'S EXECUTIVE ORDER N-29-20******

RE CORONAVIRUS COVID-19

CONSISTENT WITH THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20 WHICH SUSPEND CERTAIN REQUIREMENTS OF THE BROWN ACT, AND THE ORDER OF THE HEALTH OFFICER OF THE COUNTY OF SONOMA TO SHELTER IN PLACE TO MINIMIZE THE SPREAD OF COVID-19, MEMBERS OF THE BOARD OF DIRECTORS WILL PARTICIPATE IN THE OCTOBER 1, 2020 MEETING BY TELECONFERENCE. DUE TO THE EXECUTIVE ORDERS, IN-PERSON PARTICIPATION BY THE PUBLIC WILL NOT BE PERMITTED AND NO PHYSICAL LOCATION FROM WHICH THE PUBLIC MAY ATTEND THE MEETING WILL BE AVAILABLE. REMOTE PUBLIC PARTICIPATION DETAILS ARE LISTED BELOW.

Members of the public who wish to participate in the Board of Directors Meeting may do so via the following webinar link or teleconference call-in number and meeting code:

- Webinar link: <https://zoom.us/j/91961226276>
- Telephone number: 1 (669) 900-9128
 - Meeting ID: 919 6122 6276

PLEASE NOTE: The Sonoma Clean Power Business Office is closed and this meeting will be conducted entirely by teleconference.

How to Submit Public Comment During the Teleconference Meeting:

The Chair will request public comment during the Public Comment period for all items on the agenda. Comments may be submitted in writing to: meetings@sonomacleanpower.org, or during the meeting via the webinar "raise your hand" feature. For detailed public comment instructions, [please visit this page](#).

For written comments, state the agenda item number that you are commenting on and limit to three hundred (300) words. Written comments received prior to the meeting and/or the agenda item you wish to comment on will be read into the record.

I. CALL TO ORDER

II. BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve August 6, 2020 Draft Board of Directors Meeting Minutes (Action) - pg. 5
2. Approve Agreement for Professional Services with Maher Accountancy for a Not-to-Exceed Amount of \$176,750 through June 30, 2021 (Action) - pg. 11
3. Approve Three New Service Tariffs, Updates to Five Board of Director Policies and Three New Policies (Action) - pg. 25
4. Approve Transfer of Fiscal Year 2019-2020 Revenues into the Operating Account Fund (Action) - pg. 31

III. BOARD OF DIRECTORS REGULAR CALENDAR

5. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Discussion) - pg. 33
6. Receive Legislative and Regulatory Updates and Provide Direction as Appropriate (Discussion) - pg. 45
7. Receive Proposed Community Giving Guidelines and Provide Direction as Appropriate (Action) - pg. 65
8. Provide Additional Authority to the CEO to Execute Change Orders to the Construction Contract for the Advanced Energy Center (Action) - pg. 67
9. Approve Budget Adjustment from Legislative to Programs Implementation in the Amount of \$50,000 (Action) - pg. 71

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, if spoken, or three hundred (300) words if in writing.)

V. BOARD MEMBER ANNOUNCEMENTS

VI. ADJOURN

DISABLED ACCOMMODATION: If you have a disability which requires an accommodation, or an alternative format, please contact the Clerk of the Board at (707) 890-8491, or by email at meetings@sonomacleanpower.org as soon as possible to ensure arrangements for accommodation.

COMMONLY USED ACRONYMS AND TERMS

AER	Advanced Energy Rebuild (A program that helps homeowners affected by the October 2017 firestorms rebuild energy efficient, sustainable homes).
CAC	Community Advisory Committee
CAISO	California Independent Systems Operator
CAM	Cost Allocation Mechanism
CCA	Community Choice Aggregation
CEC	California Energy Commission
CleanStart	SCP's default service
CPUC	California Public Utility Commission
DER	Distributed Energy Resource
ERRA	Energy Resource Recovery Account
EverGreen	SCP's 100% renewable, 100% local energy service
Geothermal	A locally-available, low-carbon baseload renewable resource
GHG	Greenhouse gas
GRC	General Rate Case
IOU	Investor Owned Utility (e.g., PG&E)
IRP	Integrated Resource Plan
JPA	Joint Powers Authority
LSE	Load Serving Entity
MW	Megawatt (Power = how fast energy is being used at one moment)
MWh	Megawatt-hour (Energy = how much energy is used over time)
NEM	Net Energy Metering
NetGreen	SCP's net energy metering program
PCIA	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&E prior to their switch.</i>)
ProFIT	SCP's "Feed in Tariff" program for larger local renewable energy producers
PSPS	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
PV	Photovoltaics for making electric energy from sunlight
RA	Resource Adequacy - a required form of capacity for compliance
REC	Renewable Energy Credit - process used to track renewable energy for compliance in California.
SCP	Sonoma Clean Power
TOU	Time of Use, used to refer to rates that differ by time of day and by season

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**DRAFT MEETING MINUTES
BOARD OF DIRECTORS MEETING
THURSDAY, AUGUST 6, 2020
8:45 A.M.**

******GOVERNOR'S EXECUTIVE ORDER N-25-20******

******GOVERNOR'S EXECUTIVE ORDER N-29-20******

****RE CORONAVIRUS COVID-19****

CONSISTENT WITH THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20 WHICH SUSPEND CERTAIN REQUIREMENTS OF THE BROWN ACT, AND THE ORDER OF THE HEALTH OFFICER OF THE COUNTY OF SONOMA TO SHELTER IN PLACE TO MINIMIZE THE SPREAD OF COVID-19, MEMBERS OF THE BOARD OF DIRECTORS PARTICIPATED IN THE AUGUST 6, 2020 MEETING BY TELECONFERENCE.

I. CALL TO ORDER

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

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

Staff Members present: Geof Syphers, Chief Executive Officer; Mike Koszalka, Chief Operating Officer; Stephanie Reynolds, Director of Internal Operations; and Harriet Steiner, Special Counsel

II. BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve July 2, 2020 Draft Meeting Minutes of the SCPA Board of Directors Meeting

Public comment: None

Motion to Approve the August 6, 2020 Consent Calendar by Director Landman

Second: Director Hopkins

Motion passed: 10-0-0

III. BOARD OF DIRECTORS REGULAR CALENDAR

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

Director of Internal Operations Stephanie Reynolds introduced the item by noting the SCP business office remains closed until further notice and staff continues to work remotely. She then gave an overview of COVID-19 impacts to SCP and detailed that energy usage is up 6% compared to pre-COVID conditions. Director of Programs Cordel Stillman introduced SCP's newest team member, Advanced Energy Center Store Manager David Harvey. Director Stillman then gave an update on the Programs Division's Strategic Action Plan, which is updated every January and June to reflect the status of existing programs and lists new programs that are under consideration. CEO Syphers detailed a Community Advisory Committee ad hoc that was convened for the purposes of developing a policy recommendation on fracking. He then discussed an upcoming CPUC workshop for PSPS events, and the ad hoc's request to send a letter stating opposition to the use of fossil-fuel generators during PSPS events. Following direction from the Chair, CEO Syphers confirmed Board support for sending a letter in advance of the CPUC workshop.

Public comment: None

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

Director of Regulatory Affairs Neal Reardon updated the Board on PG&E's Energy Resource Recovery Account (ERRA) Compliance Proceedings, which serve as a review of the utility's portfolio management and accounting practices over the previous year. Director Reardon noted that SCP and a coalition of Northern California CCAs discovered significant errors in PG&E's ERRA Application of approximately \$175 million, and that PG&E subsequently agreed to make reductions of \$110 million, while \$65 million remains contested. Director Reardon then detailed a recent CPUC workshop on developing microgrid pilot projects, and his advocacy efforts to develop tariffs that customers could use to develop microgrids more broadly; he cited a Redwood Coast Energy Authority and PG&E microgrid project partnership as an example of a successful tariff to emulate. Finally, he advised the Board of CPUC Executive Director Alice Stebbins' dismissal by the Commission.

Public comment:

Ben Peters spoke about prioritizing agency resources for promoting deployment of microgrids.

David Slifer asked about SCP staff support for questions regarding microgrids.

CEO Syphers gave a legislative update on the following items: legislative disruptions due to COVID-19; a proposed economic stimulus plan by Senator Hertzberg and Assembly member Ting; AB 1720 (Eggman), which would mandate the use of large pumped hydropower (CalCCA oppose); and AB 813

(Burke), which would provide an exemption for the portion of a commercial or industrial property that has a solar system or a free-standing solar energy facility from a proposed ballot initiative that would reassess these properties at their market value rather than the purchase price (CalCCA support).

Public comment: None

4. Approve Public Employee Labor Contract Extension with Geof Syphers for Services as Chief Executive Officer through August 31, 2025

Chair Slayter recounted previous Board direction to negotiate a contract extension with CEO Syphers, and the subsequent agreement to extend his contract term through August 31, 2025. CEO Syphers expressed his gratitude for the Board's consideration of this matter.

Public comment: None

Motion to Approve Public Employee Labor Contract Extension with Geof Syphers for Services as Chief Executive Officer through August 31, 2025 by Director King

Second: Director Okrepkie

Motion passed: 10-0-0

5. Approve Annual Contract Goals for CEO Syphers

CEO Syphers detailed his proposed annual contract goals to the Board.

Public comment: Ben Peters encouraged the Board to consider goals for diversifying SCP's revenue sources.

Vice Chair Bagby noted her support for researching options into diversifying SCP's revenue stream; Chair Slayter stated his support for considering options as well.

Motion to Approve Annual Contract Goals for CEO Syphers by Chair Slayter

Second: Director Landman

Motion passed: 10-0-0

6. Recognize and Approve Anticipated Budget Overages for Fiscal Year 19/20

COO Koszalka stated that he expects two budget line items (Cost of Energy and Scheduling and Data Management) to exceed the annual budget, and based on the recommendation of SCP's accounting firm, Maher Accountancy, staff is requesting Board approval for these overages in order to be strictly compliant with Board approval of each budget line item. He noted that total current expenditures are expected to close out 2% below budget.

Public comment: None

Motion to Recognize and Approve Anticipated Budget Overages for Fiscal Year 19/20 by Director King

Second: Director Landman

Motion passed: 10-0-0

7. Adopt SCP's 2020 Integrated Resource Plan for Preferred Portfolio in CPUC Compliance Filing

Power Services Manager Rebecca Simonson presented SCP's 2020 Integrated Resource Plan (IRP), asking the Board to approve the 38 MMT preferred conforming portfolio. She described that the IRP is a biannual filing to the CPUC to demonstrate LSEs are planning supply and demand resources through 2030 to both meet the state's GHG reduction goals and demonstrate reliability. Manager Simonson discussed the differences between the methodology for internal planning and requirements for the CPUC filing, including input assumptions, emissions calculations, and the representation of PCIA allocations. She explained that the CPUC provides a Reference System Plan (RSP) as a guide to LSE planning, which provides a preliminary view of the statewide resource mix the CPUC has determined is necessary to meet GHG and reliability goals. Manager Simonson said that ultimately SCP selected a preferred portfolio that met the internal GHG target of 75 lbs/MWh by 2030 using The Climate Registry calculation, followed SCP's load shape, and aligned with the CPUC's RSP. This portfolio represented a drastic reduction in import hydro compared to the 2018 IRP and included 91 MW of new solar, 84 MW of 4-hr battery storage, 30 MW of geothermal, 50 MW of long-duration storage, and 8 MW of biomass incremental to SCP's currently contracted positions.

Public comment:

Ben Peters inquired about the GridSavvy program and suggested the Board discuss this in greater detail. He then spoke about energy efficiency as a load resource.

Motion to Approve SCP's 2020 Integrated Resource Plan for Preferred Portfolio in CPUC Compliance Filing by Director Okrepkie

Second: Director King

Motion passed: 10-0-0

8. Provide Direction to Staff on Actions Supporting Racial Equity and Justice

Chair Slayter detailed past Board discussion on this item, and the need to memorialize efforts—including some already underway—to advance the goals of racial equity and justice.

Public comment: Patricia Morris, a member of the Community Advisory Committee (“CAC”), thanked the Board for their efforts to seek applicants of diverse backgrounds to the CAC and noted her concern about the lack of ethnic diversity on the Committee.

Chair Slayter acknowledged the concerns raised during public comment and agreed that future CAC recruitments should include greater outreach to underrepresented communities. CEO Syphers described efforts by SCP to promote greater diversity among SCP’s staff and the CAC. Vice Chair Bagby highlighted the recommended actions in this staff report to develop a comprehensive plan to address racial equity in justice in all aspects of SCP. Chair Slayter noted that no vote was required on this item as only general direction was requested by staff.

IV. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

Public comment: Ben Peters congratulated SCP on the CALeVIP program.

V. BOARD MEMBER ANNOUNCEMENTS

None

VI. ADJOURN

Chair Slayter adjourned the meeting in honor of Congressman John Lewis at approximately 10:58 a.m.

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Staff Report - Item 02

To: Sonoma Clean Power Authority Board of Directors
From: Stephanie Reynolds, Director of Internal Operations
Issue: Approve Agreement for Professional Services with Maher Accountancy for a Not-to-Exceed Amount of \$176,750 through June 30, 2021
Date: October 1, 2020

Recommendation

Approve a contract with Maher Accountancy for accounting and financial reporting services not-to-exceed \$176,750 through June 30, 2021.

Background

The most recent contract with Maher was approved in 2014 and has been amended twice, in 2015 and 2017, to allow for an increased scope of work, cost increases and to extend the term of the initial contract. The new contract we are asking the Board to approve has an updated scope of work and an increase in total cost reflective of the scope.

Maher Accountancy (Maher) has been SCP's primary accountant since 2013. As the result of an informal request for proposals in 2013, Maher was selected to provide accounting and financial reporting services for SCP. At the time, Maher was selected in part because it had provided similar accounting and financial reporting services to the only other CCA in California, Marin Clean Energy, and was thus familiar with the operations and accounting needs of a community choice aggregation agency. Maher has been a key partner in SCP's operations since our formation. They perform general accounting services and have been instrumental in budgeting, contract tracking, payroll, and other operational processes. SCP contracts with a separate accounting firm, currently Piseni and Brinker, for our annual fiscal-year independent audit.

Discussion

Under the new agreement, Maher will continue to perform accounting and financial reporting services for SCP. Since the last contract amendment in 2017, SCP has purchased a new building, leased the Advanced Energy Center, started construction on both locations, received and started working on the Lead Locally Grant work, expanded our programs, and started serving customers in Mendocino County. Along with this growth, the last three years have brought increased challenges from the Wildfires, PSPS events and COVID. Maher's performance throughout has been consistently professional, timely and accurate.

The increase in the new contract amount from \$143,000 to \$162,000 over the 12-month period accurately reflects the additional workload. The separate fee of \$14,750 for coordination and preparation of annual financial statements for the fiscal year audit has not increased from 2019.

Fiscal Impact

The contract amount falls within the accounting costs approved in the FY 2020/2021 Budget.

Community Advisory Committee Review

The Community Advisory Committee unanimously recommended Board approval of this item at their September 17, 2020 meeting.

Attachment

- Draft Agreement for Professional Services

AGREEMENT FOR PROFESSIONAL SERVICES

This agreement ("Agreement"), dated as of July 1, 2020 ("Effective Date") is by and between the Sonoma Clean Power Authority, a California joint powers authority ("SCPA"), and Maher Accountancy (hereinafter "Consultant").

R E C I T A L S

WHEREAS, Consultant represents that it is a duly qualified and licensed certified public accountant and is experienced in providing accounting and related services to public entities in general and community choice aggregation programs in particular; and

WHEREAS, in the judgment of the Board of Directors, it is necessary and desirable to employ the services of Consultant to provide accounting and related services for SCPA.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, the parties hereto agree as follows:

A G R E E M E N T

1. Scope of Services.

1.1 Consultant's Specified Services. Consultant shall perform the services described in Exhibit "A," attached hereto and incorporated herein by this reference (hereinafter "Scope of Work"), and within the times or by the dates provided for in Exhibit "A" and pursuant to Article 7, Prosecution of Work. In the event of a conflict between the body of this Agreement and Exhibit "A", the provisions in the body of this Agreement shall control.

1.2 Cooperation With SCPA. Consultant shall cooperate with SCPA and SCPA staff in the performance of all work hereunder.

1.3 Performance Standard. Consultant shall perform all work hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in Consultant's profession. SCPA has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant hereby agrees to provide all services under this Agreement in accordance with generally accepted professional practices and standards of care, as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Contractor's work by SCPA shall not operate as a waiver or release. If SCPA determines that any of Consultant's work is not in accordance with such level of competency and standard of care, SCPA, in its sole discretion, shall have the right to do any or all of the following: (a) require Consultant to meet with SCPA to review the quality of the work and resolve matters of concern; (b) require Consultant to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of Article 4; or (d) pursue any and all other remedies at law or in equity.

1.4 Assigned Personnel.

- a. Consultant shall assign only competent personnel to perform work hereunder. In the event that at any time SCPA, in its sole discretion, desires the removal of any person or persons assigned by Consultant to perform work hereunder, Consultant

shall remove such person or persons immediately upon receiving written notice from SCPA.

- b. Any and all persons identified in this Agreement or any exhibit hereto as the project manager, project team, or other professional performing work hereunder are deemed by SCPA to be key personnel whose services were a material inducement to SCPA to enter into this Agreement, and without whose services SCPA would not have entered into this Agreement. Consultant shall not remove, replace, substitute, or otherwise change any key personnel without the prior written consent of SCPA. With respect to performance under this Agreement, Consultant shall employ the following key personnel: John Maher.
- c. In the event that any of Consultant's personnel assigned to perform services under this Agreement become unavailable due to resignation, sickness or other factors outside of Consultant's control, Consultant shall be responsible for timely provision of adequately qualified replacements.

2. Payment. For all services and incidental costs required hereunder, Consultant shall be paid as provided in Exhibit A. In no event shall the amount payable hereunder for services performed during the initial term of this Agreement exceed \$176,750.

3. Term of Agreement. The term of this Agreement shall be from July 1, 2020 through June 30, 2021, unless terminated earlier in accordance with the provisions of Article 4 below, or unless the term is extended as in accordance with the provisions of Article 8 below.

4. Termination.

4.1 Termination Without Cause. Notwithstanding any other provision of this Agreement, at any time and without cause, SCPA shall have the right, in its sole discretion, to terminate this Agreement by giving 5 days written notice to Consultant.

4.2 Termination for Cause. Notwithstanding any other provision of this Agreement, should Consultant fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violate any of the terms of this Agreement, SCPA may immediately terminate this Agreement by giving Consultant written notice of such termination, stating the reason for termination.

4.3 Delivery of Work Product and Final Payment Upon Termination.

In the event of termination, Consultant, within 14 days following the date of termination, shall deliver to SCPA all materials and work product subject to Section 9.11 (Ownership and Disclosure of Work Product) and shall submit to SCPA an invoice showing the services performed, hours worked, and copies of receipts for reimbursable expenses up to the date of termination.

4.4 Payment Upon Termination. Upon termination of this Agreement by SCPA, Consultant shall be entitled to receive as full payment for all services satisfactorily rendered and expenses incurred hereunder, an amount which bears the same ratio to the total payment specified in the Agreement as the services satisfactorily rendered hereunder by Consultant bear to the total services otherwise required to be performed for such total payment; provided, however, that if services which have been satisfactorily rendered are to be paid on a per-hour or per-day basis, Consultant shall be entitled to receive as full

payment an amount equal to the number of hours or days actually worked prior to the termination times the applicable hourly or daily rate; and further provided, however, that if SCPA terminates the Agreement for cause pursuant to Section 4.2, SCPA shall deduct from such amount the amount of damage, if any, sustained by SCPA by virtue of the breach of the Agreement by Consultant.

4.5 Authority to Terminate. The Chief Executive Officer has the authority to terminate this Agreement on behalf of SCPA.

5. Indemnification. Consultant agrees to accept all responsibility for loss or damage to any person or entity, including SCPA, and to indemnify, hold harmless, and release SCPA, 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 Consultant, that arise out of, pertain to, or relate to Consultant's or its agents', employees', contractors', subcontractors', or invitees' performance or obligations under this Agreement. Consultant agrees to provide a complete defense for any claim or action brought against SCPA based upon a claim relating to such Consultant's or its agents', employees', contractors', subcontractors', or invitees' performance or obligations under this Agreement. Consultant's obligations under this Section apply whether or not there is concurrent negligence on SCPA's part, but to the extent required by law, excluding liability due to SCPA's conduct. SCPA shall have the right to select its legal counsel at Consultant's expense, subject to Consultant's approval, which shall not be unreasonably withheld. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Consultant or its agents under workers' compensation acts, disability benefits acts, or other employee benefit acts. Any financial indemnification described above is limited to proceeds from Consultants insurance policy. The limitation to insurance proceeds does not apply to self-insurance retentions.

6. Insurance. With respect to performance of work under this Agreement, Consultant shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain, insurance as described in Exhibit B, which is attached hereto and incorporated herein by this reference.

7. Prosecution of Work. The execution of this Agreement shall constitute Consultant's authority to proceed immediately with the performance of this Agreement. Performance of the services hereunder shall be completed within the time required herein, provided, however, that if the performance is delayed by earthquake, flood, high water, or other Act of God or by strike, lockout, or similar labor disturbances, the time for Consultant's performance of this Agreement shall be extended by a number of days equal to the number of days Consultant has been delayed.

8. Extra or Changed Work. Extra or changed work or other changes to the Agreement may be authorized only by written amendment to this Agreement, signed by Consultant and by the Chief Executive Officer of SCPA. Failure of Consultant to secure such written authorization for extra or changed work shall constitute a waiver of any and all right to adjustment in the Agreement price or Agreement time due to such unauthorized work and thereafter Consultant shall be entitled to no compensation whatsoever for the performance of such work. Consultant further expressly waives any and all right or remedy by way of restitution and quantum meruit for any and all extra work performed without such express and prior written authorization of SCPA. Consultant and SCPA's Chief Executive Officer may extend the term of this Agreement for additional twelve-month periods, provided that SCPA's Board of Directors has approved funding for Agreement costs for such periods. In connection with such extensions,

SCPA's Chief Executive Officer and Consultant may agree to an increase in fees payable to Consultant, provided such increase does not exceed the lesser of the change in the Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco Bay Area in the preceding 12 months or five percent.

9. Representations of Consultant.

9.1 Standard of Care. SCPA has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant hereby agrees that all its work will be performed and that its operations shall be conducted in accordance with generally accepted and applicable professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Consultant's work by SCPA shall not operate as a waiver or release.

9.2 Status of Consultant. The parties intend that Consultant, in performing the services specified herein, shall act as an independent contractor, and shall control the work and the manner in which it is performed. Consultant is not to be considered an agent or employee of SCPA and is not entitled to participate in any pension plan, worker's compensation plan, insurance, bonus, or similar benefits SCPA provides its employees. In the event SCPA exercises its right to terminate this Agreement pursuant to Article 4, above, Consultant expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees.

9.3 No Suspension or Debarment. Consultant warrants that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency. Consultant also warrants that it is not suspended or debarred from receiving federal funds as listed in the List of Parties Excluded from Federal Procurement or Non-procurement Programs issued by the General Services Administration. If the Consultant becomes debarred, consultant has the obligation to inform SCPA.

9.4 Taxes. Consultant agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes. Consultant agrees to indemnify and hold SCPA harmless from any liability which it may incur to the United States or to the State of California as a consequence of Consultant's failure to pay, when due, all such taxes and obligations. In case SCPA is audited for compliance regarding any withholding or other applicable taxes, Consultant agrees to furnish SCPA with proof of payment of taxes on these earnings.

9.5 Records Maintenance. Consultant shall keep and maintain full and complete documentation and accounting records concerning all services performed that are compensable under this Agreement and shall make such documents and records available to SCPA for inspection at any reasonable time. Consultant shall maintain such records for a period of four (4) years following completion of work hereunder.

9.6 Conflict of Interest. Consultant covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law or that would otherwise conflict in any manner or degree with the performance of its services hereunder. Consultant further covenants that in the performance of this Agreement no person having any such interests shall be employed. In addition, if

requested to do so by SCPA, Consultant shall complete and file and shall require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" with SCPA disclosing Consultant's or such other person's financial interests.

9.7 Statutory Compliance. Contractor agrees to comply with all applicable federal, state and local laws, regulations, statutes and policies applicable to the services provided under this Agreement as they exist now and as they are changed, amended or modified during the term of this Agreement.

9.8 Nondiscrimination. Without limiting any other provision hereunder, Consultant shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, pregnancy, disability, sexual orientation or other prohibited basis. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated herein by this reference.

9.9 AIDS Discrimination. Consultant agrees to comply with the provisions of Chapter 19, Article II, of the Sonoma County Code prohibiting discrimination in housing, employment, and services because of AIDS or HIV infection during the term of this Agreement and any extensions of the term.

9.10 Ownership and Disclosure of Work Product. All reports, original drawings, graphics, plans, studies, and other data or documents ("documents"), in whatever form or format, assembled or prepared by Consultant or Consultant's subcontractors, consultants, and other agents in connection with this Agreement shall be the property of SCPA. SCPA shall be entitled to immediate possession of such documents upon completion of the work pursuant to this Agreement. Upon expiration or termination of this Agreement, Consultant shall promptly deliver to SCPA all such documents, which have not already been provided to SCPA in such form or format, as SCPA deems appropriate. Such documents shall be and will remain the property of SCPA without restriction or limitation. Consultant may retain copies of the above-described documents but agrees not to disclose or discuss any information gathered, discovered, or generated in any way through this Agreement without the express written permission of SCPA.

9.11 Authority. The undersigned hereby represents and warrants that he or she has authority to execute and deliver this Agreement on behalf of Consultant.

10. Demand for Assurance. Each party to this Agreement undertakes the obligation that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise with respect to the performance of either party, the other may in writing demand adequate assurance of due performance and until such assurance is received may, if commercially reasonable, suspend any performance for which the agreed return has not been received. "Commercially reasonable" includes not only the conduct of a party with respect to performance under this Agreement, but also conduct with respect to other agreements with parties to this Agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, but not exceeding thirty (30) days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this Agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance. Nothing in this Article limits SCPA's right to terminate this Agreement pursuant to Article 4.

11. Assignment and Delegation. Neither party hereto shall assign, delegate, sublet, or transfer any interest in or duty under this Agreement without the prior written consent of the other, and no such transfer shall be of any force or effect whatsoever unless and until the other party shall have so consented.

12. Method and Place of Giving Notice, Submitting Bills and Making Payments. All notices, bills, and payments shall be made electronically or if in writing shall be given by personal delivery or by U.S. Mail or courier service. Notices, bills, and payments shall be addressed as follows:

TO: SCPA:
Geof Syphers, Chief Executive Officer
P.O. Box 1030
Santa Rosa, CA 95402
Via email: invoices@sonomacleanpower.org

TO: CONSULTANT:
Maher Accountancy
1101 Fifth Avenue, Suite 200
San Rafael, CA 94901

When a notice, bill or payment is given by a generally recognized overnight courier service, the notice, bill, or payment shall be deemed received on the next business day. When a copy of a notice, bill or payment is sent by facsimile or email, the notice, bill or payment shall be deemed received upon transmission as long as (1) the original copy of the notice, bill or payment is promptly deposited in the U.S. mail and postmarked on the date of the facsimile or email (for a payment, on or before the due date), (2) the sender has a written confirmation of the facsimile transmission or email, and (3) the facsimile or email is transmitted before 5 p.m. (recipient's time). In all other instances, notices, bills and payments shall be effective upon receipt by the recipient. Changes may be made in the names and addresses of the person to whom notices are to be given by giving notice pursuant to this paragraph.

13. Miscellaneous Provisions.

13.1 No Waiver of Breach. The waiver by SCPA of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement.

13.2 Construction. To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. Consultant and SCPA acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. Consultant and

SCPA acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

13.3 Consent. Wherever in this Agreement the consent or approval of one party is required to an act of the other party, such consent or approval shall not be unreasonably withheld or delayed.

13.4 No Third-Party Beneficiaries. Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.

13.5 Applicable Law and Forum. This Agreement shall be construed and interpreted according to the substantive law of California, regardless of the law of conflicts to the contrary in any jurisdiction. Any action to enforce the terms of this Agreement or for the breach thereof shall be brought and tried in Santa Rosa or the forum nearest to the city of Santa Rosa, in the County of Sonoma.

13.6 Captions. The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.

13.7 Merger. This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Code of Civil Procedure Section 1856. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

13.8. Survival of Terms. All express representations, waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion or termination for any reason.

13.9 Time of Essence. Time is and shall be of the essence of this Agreement and every provision hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

MAHER ACCOUNTANCY:

SCPA:

By: 

By: _____

Name: Michael Maher

Name: _____

Title: Vice President

Title: _____

Date: 9/23/2020

Date: _____

**Exhibit A -Scope of Work and Payment Terms:
Operational Assistance/General Accounting:**

Monthly Financial Operational Assistance:

1. Monitor internal controls over financial transactions.
2. Monitor and assist development of operating budget in collaboration with management and technical consultants.
3. Maintain the general ledger by:
 - a. Posting aggregate customer billings, accrued revenue, cash receipts, accounts payable, cash disbursements, payroll, accrued expenses, etc.
 - b. Prepare or maintain the following monthly analysis regarding general ledger account balances:
 - i. Reconciliation to statements from Authority's financial institution for cash activity and balances;
 - ii. Reconcile customer data manager reports of customer activity to accounts receivable aging;
 - iii. Estimate user fees earned but not billed as of the end of the reporting period;
 - iv. Prepare and maintain schedule of depreciation of capital assets;
 - v. Prepare schedule of aged accounts payable;
 - vi. Prepare and maintain schedules of details regarding all remaining balance sheet accounts.
4. Manage disbursements to vendors: Consultant utilizes a cloud-based accounts payable and document management system to provide documentation of management review, proper segregation of duties, and access to source data. Consultant data entry and review ensures that required authorization is documented and that account coding is correct. SCP staff then authorizes the release of payment in order to provide an additional safeguard.
5. Monitor expenditure budget compliance. Consultant monitors budget available and will make timely recommendations for any necessary budget amendments.
6. Provide periodic and year-to-date accrual basis financial statements with comparison to projections.
7. Provide modified accrual basis financial statement with comparison to budget.
8. Preparation and filing annual information returns such as form 1099/1096s.
9. Assist the treasury function.
10. Provide services to assist management with financial reports required by applicable laws and regulations.
11. File various compliance reports for state and local agencies, such as user taxes, energy surcharges, and state controller reports.
12. Access to existing professional service provider contract and portal. This does not include system development.

Payroll Assistance Services:

1. SCP will provide timely and accurate employee data (i.e. hiring documents, timecards etc.) to Maher.
2. Maher will communicate to Paychex (or successor) and other taxing authorities, as needed.
3. Maher will not have direct contact with SCP employees other than the HR Manager. (All communication will be through HR Manager)
4. Maher is responsible for all payroll data entry to Paychex (or their successor).
5. Maher will manage payroll processing and verify that data entry is highly accurate.
6. Maher will provide after-the-fact payroll reports to SCP.
7. Maher communicate payroll information to retirement plan administrator

Annual Audit:

1. Coordinate data flow from SCP accounting records to independent auditor.
2. Prepare annual financial statements with note disclosures and Management Discussion and Analysis.

Payment Terms:

For all services and expenses hereunder, Consultant shall be paid as follows:

Description of Service	Frequency	Fee
A. Monthly Fee for Operational Assistance and General Accounting Services	Monthly	\$13,500
B. Annual financial statements and Coordination with outside auditor	Annual	\$14,750

Monthly Invoicing

In order to request payment, Consultant shall submit monthly invoices to the Authority describing the services performed and the applicable charges. Payment will be due during the month of service.

Reimbursable Expenses

Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by Authority and shall only be reimbursed to the extent consistent with Authority's travel policy. SCP user fees and Payment issuance costs charged by cloud-based accounts payable services will be borne by SCP.

Exhibit B – SCPA Insurance Requirements

With respect to performance of work under this Agreement, Consultant shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain insurance as described below unless such insurance has been expressly waived by the attachment of a *Waiver of Insurance Requirements*. Any requirement for insurance to be maintained after completion of the work shall survive this agreement.

SCPA reserves the right to review any and all of the required insurance policies and/or endorsements but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Consultant from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

1. Workers Compensation and Employers Liability Insurance

- a. Required if Consultant has employees.
- b. Workers Compensation insurance with statutory limits as required by the Labor Code of the State of California.
- c. Employers Liability with limits of \$1,000,000 per Accident; \$1,000,000 Disease per employee; \$1,000,000 Disease per policy.
- d. *Required Evidence of insurance:* Certificate of Insurance.

If Consultant currently has no employees, Consultant agrees to obtain the above-specified Workers Compensation and Employers Liability insurance should any employees be engaged during the term of this Agreement or any extensions of the term.

2. General Liability Insurance

- a. Commercial General Liability Insurance on a standard occurrence form, no less broad than Insurance Services Office form CG 00 01.
- b. Minimum Limits: \$1,000,000 per Occurrence; \$2,000,000 General Aggregate, \$2,000,000 Products/Completed Operations Aggregate. The required limits may be provided by a combination of General Liability Insurance and Commercial Umbrella Liability Insurance. If Consultant maintains higher limits than the specified minimum limits, SCPA requires and shall be entitled to coverage for the higher limits maintained by Consultant.
- c. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it must be approved in advance by SCPA. Consultant is responsible for any deductible or self-insured retention and shall fund it upon SCPA's written request, regardless of whether Consultant has a claim against the insurance or is named as a party in any action involving the SCPA.
- d. The SCPA shall be additional insureds for liability arising out of operations by or on behalf of the Consultant in the performance of this agreement.
- e. The insurance provided to the additional insureds shall be primary to, and non-contributory with, any insurance or self-insurance program maintained by them.
- f. The policy definition of "insured contract" shall include assumptions of liability arising out of both ongoing operations and the products-completed operations hazard (broad form

- contractual liability coverage including the "f" definition of insured contract in ISO form CG 00 01, or equivalent).
- g. The policy shall cover inter-insured suits between SCPA and Consultant and include a "separation of insureds" or "severability" clause which treats each insured separately.
3. Automobile Liability Insurance
- a. Minimum Limits: \$1,000,000 combined single limit per accident.
 - b. Insurance shall apply to all owned autos. If Consultant currently owns no autos, Consultant agrees to obtain such insurance should any autos be acquired during the term of this Agreement or any extensions of the term.
 - c. Insurance shall apply to hired and non-owned autos.
 - d. *Required Evidence of Coverage*: Certificate of Insurance.
4. Professional Liability/Errors and Omissions Insurance
- a. Minimum Limit: \$1,000,000 per occurrence.
 - b. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it must be approved in advance by SCPA.
 - c. If the insurance is on a Claims-Made basis, the retroactive date shall be no later than the commencement of the work.
 - d. Coverage applicable to the work performed under this Agreement shall be continued for two (2) years after completion of the work. Such continuation coverage may be provided by one of the following: (1) renewal of the existing policy; (2) an extended reporting period endorsement; or (3) replacement insurance with a retroactive date no later than the commencement of the work under this Agreement.
 - e. *Required Evidence of Coverage*: Certificate of Insurance.
5. Standards for Insurance Companies
- Insurers shall have an A.M. Best's rating of at least B++:VI.
6. Documentation
- a. The Certificate of Insurance must include the following reference: Accounting Services, Sonoma Clean Power Authority.
 - b. All required Evidence of Insurance shall be submitted prior to the execution of this Agreement. Consultant agrees to maintain current Evidence of Insurance on file with SCPA for the entire term of this Agreement and any additional periods if specified in Sections 1-4 above.
 - c. The name and address for Additional Insured endorsements and Certificates of Insurance is: SCPA, P.O. Box 1030 Santa Rosa, CA 95404.
 - d. Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days before expiration or other termination of the existing policy.
 - e. Consultant shall provide immediate written notice if: (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention is increased.
 - f. Upon written request, certified copies of required insurance policies must be provided within thirty (30) days.

7. Policy Obligations

Consultant's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

8. Material Breach

If Consultant fails to maintain insurance which is required pursuant to this Agreement, it shall be deemed a material breach of this Agreement. SCPA, at its sole option, may terminate this Agreement and obtain damages from Consultant resulting from said breach. Alternatively, SCPA may purchase the required insurance, and without further notice to Consultant, SCPA may deduct from sums due to Consultant any premium costs advanced by SCPA for such insurance. These remedies shall be in addition to any other remedies available to SCPA.



Staff Report - Item 03

To: Sonoma Clean Power Authority Board of Directors

**From: Erica Torgerson, Director of Customer Service
Danielle Baker, Senior Customer Care Specialist**

Issue: Approve Three New Service Tariffs, Updates to Five Board of Director Policies and Three New Policies

Date: October 1, 2020

Requested Action:

Approve new customer-facing Service Tariffs:

- CleanStart Service Tariff
- EverGreen Service Tariff
- NetGreen 2.0 Tariff - Net Energy Metering Program

Approve updates to the following current Board Policies:

- A.1 Customer Confidentiality
- A.2 Terms and Conditions of Service
- A.3 Delinquent Accounts and Collections
- A.4 Information Technology Security Policy
- A.5 Advance Metering Infrastructure Data Security & Privacy Policy

Approve a new Board Policy:

- A.6 Emergency Consumer Protection Policy

Ratify:

- A.6a 2020 Covid-19 Emergency Consumer Protection Policy
- A.6b 2020 LNU Lightning Complex Fires Emergency Consumer Protection Policy
- A.6c 2020 August Complex Fires Emergency Consumer Protection Policy

Background:

In an effort to formalize SCP's service offerings, SCP has prepared tariffs for its CleanStart Service, EverGreen Service, and net energy metering program, NetGreen 2.0. Although not required by the CPUC, these tariffs will bring broader transparency to our customers. This project was jumpstarted by SCP's new NetGreen program, which was approved by the Board on January 9, 2020. While working on the new tariffs, the Customer Service team also worked to update five Board of Director approved policies. Two of the policies, were approved in 2019 and needed little update. The remaining three policies, including the Terms and Conditions of Service, were updated more significantly. All policies are attached to this staff report in a redline version to show the changes and a "clean version". Based on updates to the Board of Director approved policies, staff recommends a new Board approved policy for Emergency Consumer Protections and a sub-policy specifically for the Covid-19 pandemic.

Discussion:

Tariffs:

- CleanStart Service Tariff - SCP offers its standard CleanStart Service comprised of a mix of renewable and carbon-free energy sources and unspecified systems power to all eligible customers. The Tariff provides customers with the information necessary to make an educated choice on choosing SCP's default service, CleanStart.
- EverGreen Service Tariff - SCP offers a voluntary EverGreen Service comprised of 100% local renewable energy. This Tariff provides customers the details of this premium service.

- NetGreen 2.0 Tariff – SCP offers a voluntary Net Energy Metering program for customers with a renewable electrical generation facility (e.g. solar or wind) located on their premise. This program was approved by the Board of Directors on January 9, 2020.

Policies:

- Customer Service Policy A.1 – Updates to this policy including changing the name of the policy to Customer Privacy Policy (and its URL) from Customer Confidentiality to be more approachable and understandable for customers. Also updated in this policy is to include privacy language directly from CPUC Decision 12-08-045, which extended privacy protections to customers of community choice aggregators. SCP is audited on its customer privacy policies by the CPUC annually.
- Customer Service Policy A.2 – The Customer Service team reviewed all 19 CCAs Terms and Conditions of Service and used bits and pieces from the different CCAs. The goal of the updates is to provide clear and concise information for customers and non-customers of SCP. The Billing section was updated to better reflect that SCP only charges for generation, while PG&E continues to charge for delivery and other non-generation charges. The Customer Service team added a new section on Discount Programs as that can be a concern for our customers. The Opt Out section was expanded to make clearer PG&E's requirement that an SCP customer must pick a PG&E return option before the customer can successfully opt out of SCP generation service. Finally, the Failure to Pay section was updated in consultation with SCP's Special Counsel.
- Customer Service Policy A.3 – This policy was updated to provide better transparency to customers that become delinquent with SCP. This policy was also updated to note it may be superseded on a temporary basis due to a disaster in SCP's service territory.
- Customer Service Policy A.4 – No material changes.
- Customer Service Policy A.5 – No material changes.

- Customer Service Policy A.6 – New policy focused on natural disasters in SCP’s service territory that result in the loss or disruption of the delivery or receipt of electric utility service; and/or results in the degradation of the quality of electric utility service and what consumer protections SCPA will put into place.
 - Customer Service Policy A.6a – A sub-policy of SCPA’s Emergency Consumer Protection policy specifically related to 2020 COVID-19.
 - Customer Service Policy A.6b – A sub-policy of SCPA’s Emergency Consumer Protection policy specifically related to the 2020 LNU Lightning Complex Fires.
 - Customer Service Policy A.6c – A sub-policy of SCPA’s Emergency Consumer Protection policy specifically related to the 2020 August Complex Fires.

Fiscal Impact:

Tariffs	None.
Policies A.1 to A.5	None.
Policies A.6, A.6a, A.6b, A.6c	Unknown. Depends on the number of natural disasters in SCPA’s service territory.

Community Advisory Committee Review

The Community Advisory Committee unanimously recommended Board approval of this item at their September 17, 2020 meeting.

Attachments:

[Attachments for this item can be accessed through this link or by request from the Clerk of the Board](#)

Tariffs:

- CleanStart Service Tariff
- EverGreen Service Tariff
- NetGreen 2.0 Tariff (Net Energy Metering Program)

Clean Draft Amended Policies:

- Customer Service Policy A.1 – Customer Privacy Policy

- Customer Service Policy A.2 – Terms and Conditions of Service Policy
- Customer Service Policy A.3 – Delinquent Accounts and Collections Policy
- Customer Service Policy A.4 – Information Technology Security Policy
- Customer Service Policy A.5 – Advance Metering Infrastructure Data Security Policy

New Draft Policies:

- Customer Service Policy A.6 – Emergency Consumer Protection Policy
- Customer Service Policy A.6a – 2020 Covid-19 Emergency Consumer Protection Policy
- Customer Service Policy A.6b – 2020 LNU Lightning Complex Fires Emergency Consumer Protection Policy
- Customer Service Policy A.6c – 2020 August Complex Fires Emergency Consumer Protection Policy

Redlines of Draft Amended Policies:

- Customer Service Policy A.1 – Customer Privacy Policy
- Customer Service Policy A.2 – Terms and Conditions of Service Policy
- Customer Service Policy A.3 – Delinquent Accounts and Collections Policy
- Customer Service Policy A.4 – Information Technology Security Policy
- Customer Service Policy A.5 – Advance Metering Infrastructure Data Security Policy

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Staff Report - Item 04

To: Sonoma Clean Power Authority Board of Directors

From: Mike Koszalka, Chief Operating Officer

Issue: Approve Transfer of Fiscal Year 2019-2020 Revenues into the Operating Account Fund

Date: October 1, 2020

Recommendation:

Recommend approval by the SCP Board of Directors to defer \$22 million in FY 2019-20 revenues into the Operating Account Fund that was approved by the SCP Board under Government Accounting Standard Board (GASB) Standard 62 for the purpose of stabilizing customer bills.

Background:

At the May 7, 2020 Board meeting, the Board approved establishing an Operating Account Fund under Government Accounting Standard Board (GASB) Standard 62. The purpose of this fund is to stabilize customer bills in future fiscal periods.

Staff had requested the establishment of this fund as a financial strategy in order to navigate several market and financial uncertainties, including the large customer Power Charge Indifference Adjustment (PCIA) charge from PG&E. The Board agreed that seeking to keep SCP rates within 5% or less of PG&E's rates would be prudent, and further that a customer bill stabilization fund should be established to accomplish that purpose with funds from SCP's increase in net position from fiscal year (FY2019-20).

Discussion:

On April 2, 2020, the SCP Board of Directors approved a revision to Financial Policy B2 that specifies under what conditions funds will be added to the Agency's reserves. This policy change anticipated a need to set aside funding in order to keep SCP customers' total bills competitive with PG&E bundled customer bills.

The Operating Account Fund is to be funded from SCP revenues. The fund was created under the Government Accounting Standard Board (GASB) Standard 62. GASB 62 specifies that current revenues would be deferred into the fund when it is determined that excess revenues are available to make deposits. The Board will need to approve these transfers. From an accounting standpoint, a deferral of FY 2019-20 revenue into the Operating Account Fund would result in a reduction in SCP's reported revenues for Fiscal Year 2019-2020 and an increase in reported income for the years that withdrawals from the Fund are made. By deferring revenues into the Operating Account Fund before it is recognized as revenue, SCP will effectively "bank" revenue for use in a future fiscal year.

Staff's intent for this fund is to use it to stabilize customer rates so that their total bills remain competitive with PG&E bundled customer bills. Staff have been working with SCP's accounting firm, Maher Accounting, in development of this Operating Account Fund to ensure it conforms with the standards of GASB 62. Any deferral of current revenues into the fund requires SCP Board action. Withdrawals from and repayments to the fund in the future may be done by the CEO or COO as approved by the SCP Board.

Fiscal Impact:

This action will reduce both the revenue and the resulting increase in net position for FY 2019-20 by \$22 million. Should withdrawals from the Operating Account Fund be approved by the Board in the future, this action would increase net revenues in the fiscal year in which they are withdrawn, by the amount withdrawn.

Community Advisory Committee Review

The Community Advisory Committee unanimously recommended Board approval of this item at their September 17, 2020 meeting.



Staff Report - Item 05

To: Sonoma Clean Power Authority Board of Directors

From: Stephanie Reynolds, Director of Internal Operations
Mike Koszalka, Chief Operating Officer

Issue: Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate

Date: October 1, 2020

COVID-19 IMPACTS TO SCP

Staff continues to closely monitor the impact of COVID-19 on energy usage and revenues for SCP. The impact of COVID-19 on energy usage and revenues has been difficult to isolate from the concurrent effects of wildfire evacuations, extreme heatwaves, and smoky skies. In aggregate, actual usage for August tracked 1.3% higher than the usage predicted by SCP's pre-COVID model without these abnormal conditions. That figure is driven by a 5% increase in residential usage, offset by small decreases in commercial usage.

The COVID meter count decline anticipated in the budget for this fiscal year has not yet come to fruition. This, combined with hot weather and increased usage, pushed revenue from energy sales to be 11.7% over budget for the month of August. However, extreme weather and high prices also caused recent spikes in energy costs, so a more detailed review of the August financials will be provided in the next meeting.

ROTATING OUTAGES

Starting August 14, 2020, California experienced monsoon weather conditions followed by an extreme heat storm, both causing severe shortages of power generation and leading to the first Flex Alerts in California since 2006. SCP called on

customers to help the California Independent System Operator (CAISO) keep the lights on by conserving energy in the evenings, during periods of high air conditioning demand, and they were able to avert most of the potential outages. However, some rotating outages were called, and they were followed shortly after by a PSPS event for approximately 18,000 SCP customers due to offshore winds. A letter CalCCA sent to Governor Newsom with recommendations following the August and September Flex Alerts is provided as an attachment to Item 6.

JPA FOR PROCUREMENT

Eleven CCAs around California recently entered into a cost sharing agreement (SCP's portion is up to \$15,000) to begin drafting a Joint Powers Authority among the eleven CCAs for the purpose of procuring large energy generation or storage contracts if and when that is valuable. This technique is very common among municipal power providers, who nearly all participate in joint procurement through the Northern California Power Authority or a similar organization in Southern California. The potential near-term value is in procuring long-duration energy storage, which SCP aims to do as early as the first quarter of 2021. The joint CCAs drafting the simplest form of a JPA that works at this time, with the following approach:

- Make participation in any specific procurement voluntary. Each CCA will be able to determine whether they want to participate in each deal or not.
- Have decisions about procurement made by expert procurement staff (either Procurement Directors or CEOs).
- Leave the costs and credit terms for each deal outside the scope of the JPA, and subject to negotiation among the parties to each deal.

Staff hope to be able to bring a more detailed discussion of this JPA to the Board in November or December, in time to consider joining and participating in long-duration storage procurement in early 2021.

ORGANIZATION UPDATES

On September 1st, Walter (Willy) Linares joined the SCP team as Marketing Coordinator. Willy will be working across SCP on a variety of marketing, PR, communications, social media, and community outreach efforts.

In order to improve our focus on long-term planning, including resource planning, local power resilience planning and related financial considerations, we have created a Planning and Data Analytics Department. This department will focus on leading ongoing resource planning for SCP as well as leading analysis of the plethora of data we have to support Power Procurement, Customer Services, PR and Marketing and our Programs departments. We are proud to announce that Rebecca Simonson has accepted a promotion as Director for the department. Ryan Tracey joins her as initial staff.

In order to reflect the focus and level of responsibility for what we have previously called our Power Services department, we are revising the department designation to Power Procurement and reclassifying Deb Emerson as Managing Director of the department to reflect her level of responsibility in power and energy trading and procurement strategy.

ENERGY RESILIENCY AUDIT PROGRAM (ERAP)

Description:

Small commercial customers receive a no-cost backup energy audit to help determine how much battery storage is needed to power critical electric loads during a shutoff; whether battery storage is financially feasible; and how storage could be integrated into existing operations to benefit their business year-round.

The program is focused on providing technical electric resiliency expertise to commercial enterprises impacted by PG&E PSPS (Public Safety Power Shutoffs), and particularly to those considered essential in their communities.

Enrollment to date

- Customer sites enrolled: 27 (Seven of those became either delayed to Covid-19 and evacuations or non-responsive after we sent the initial questionnaire.)
- Stage One reports delivered: 19
- One site still in evaluation phase

Stage One reports provide customers with an estimation of implementation costs based on their individual operation and historical electrical usage. If energy storage is deemed a viable option, a Stage Two analysis is undertaken.

Stage Two reports provide a final implementation study, including an in-depth review of existing electrical infrastructure and recommended infrastructure upgrades.

ANNUAL JOINT-RATE COMPARISON MAILER

Last month, the annual SCP/PG&E Joint-Rate Comparison Mailers were delivered. The comparison uses data from the 2019 electric power generation mix. A copy of each mailer is attached (4 different rates: E-1, A-1-TOU, A-10-TOU, E-19SV).

PROGRAMS UPDATES:

Advanced Energy Rebuild (AER)

The application deadline for Advanced Energy Rebuild was on June 30th. In total, the program had 326 applications covering 451 dwellings. These include 325 single-family homes, 96 multi-family units, and 30 Accessory Dwelling Units (ADU). Of these, 87 dwellings are all-electric and 115 are building with a battery backup system. Over \$2.7M in incentives has been reserved for rebuild projects.

Advanced Energy Build (AEB)

The Advanced Energy Build (AEB) new construction program was launched on July 1, 2020. The program has a goal of 500 homes and includes incentives for electric-ready and all-electric homes, along with additional funds for battery storage integration. Staff is conducting outreach to local planning departments, production builders, and energy analysts.

Self-Generation Incentive Program (SGIP)

The SGIP Assistance program provides residential customers with SGIP incentives upfront and assistance with applications to install battery energy storage systems. As of September 17, our revolving fund of \$2,150,000 is currently fully allocated, providing upfront incentives for over 100 battery storage projects. Most applications submitted through our SGIP Assistance Program were for Equity Resiliency incentives, such cover up to 100% of the battery costs. We will re-open the program to available incentive categories once we receive SGIP incentives from PG&E to replenish the fund.

SGIP Equity Resiliency incentives are currently fully subscribed for PG&E's territory. PG&E is accepting applications for the waitlist, will be processed in order of receipt as funds become available through cancellations.

More information can be found at
www.sonomacleanpower.org/programs/sgipassistance

School Storage Study

Sonoma Clean Power Staff is working with consultant, TerraVerde Energy, to launch outreach for the School Storage Study which will provide free battery backup assessments to school sites with existing solar systems. Applicants will soon be able to apply through a SCP webpage for consideration.

Sonoma Coast Incentive Project - CALeVIP

The Sonoma Coast Incentive Project, which provides incentives for the installation of electric vehicle charging infrastructure, started accepting applications on July 8, 2020.

As of September 8, 2020, 253 applications were received, which the total amounts exceed available project funds. There are over \$22.8M in applications received, more than the \$6.75M total project budget. These applications are being processed by the Center for Sustainable Energy (CSE), the Statewide project implementer, with \$417,000 of Funds Reserved. For Level 2 projects, nine (9) months is allowed to complete the project, and fifteen (15) months for DCFC projects.

Of the 253 applications, five are in a Disadvantaged Community in Sonoma (Mendocino does not have any eligible DACs), 34 applications in Mendocino and 68 applications in Sonoma are in a Low-Income Community, and 15 applications in Mendocino and 64 applications in Sonoma are in unincorporated areas.

The 253 applications break down into the following site uses:

Site Use	# of App.
Commercial	160
Airport	1
Casino	1
City, County or Privately Owned Parking Lot or Garage	13
Gas Station	15
Grocery Store	5
Hospital	4
Hotel	61
None of the above	11

Restaurant	17
Retail Shopping Center	22
Urban/Suburban Retail Core	10
Fleet (public or private, must be shared use)	1
Multi-unit dwelling (public or private, must be shared use)	27
Public facility	28
Workplace	37
Grand Total	253

Please note, that this represents gross applications received and not all these applications will receive funding. As CSE processes the applications and funds are reserved, these numbers will change

As a reminder, the total Sonoma Coast Incentive Project budget is \$6.75M broken down into the following categories:

- **Mendocino:** \$300K for DCFC and \$450K for Level 2 for a total budget of \$750K
 - 25% of DCFC and Level 2 funds will be committed to Disadvantaged and Low-Income Communities
 - *Note: applications with an installation address in the cities/towns of Laytonville, Leggett, Ukiah and Willits are not eligible for DCFC funds as the CEC has previously invested in DCFC infrastructure in these locations.*
- **Sonoma:** \$3.3M for DCFC and \$2.7M for Level 2 for a total budget of \$6M
 - 25% of DCFC and Level 2 funds will be committed to unincorporated areas.

The rebates (incentives) are up to \$80,000 for Direct Current Fast Chargers (DCFC) and up to \$7,500 for Level 2 chargers for the design, engineering, purchase, and installation of the charging infrastructure.

Staff continues to encourage interested parties to apply for funds as some applications will be denied, be cancelled by the applicants, and/or the project ultimately may not work out. Any funding reserved by the applicant will go to the next project on the waitlist. Additionally, funds are reserved at the maximum rebate amount and a project may ultimately not receive that maximum amount due to a lower total project cost or a change in the number of chargers or ports installed.

GridSavvy Community

Sonoma Clean Power staff dispatched its GridSavvy Community—a fleet of over 900 electric vehicles, smart thermostats, and heat pump water heaters—on Friday August 14th to coincide with our projected system peak and a CAISO flex alert. The “virtual

power plant” of customer devices was also leveraged during flex alerts on August 17th and 18th. In addition to the automated response of the smart technologies, SCP staff leveraged the GridSavvy Community to help spread the word on behavioral changes—such as shifting energy use to midday—that can help relieve stress on the grid.

Lead Locally (CEC Grant)

Construction at the Advanced Energy Center continues. Multiple manufacturers and distributors are under contract to participate at the Advanced Energy Center and display bays have been constructed and co-branding marketing strategies are being defined. The SCP team continues to develop safety protocols to prepare for a public presence at the AEC opening.

UPCOMING MEETINGS:

BOD - November 5, 2020 at 8:45 A.M.

ATTACHMENTS

2020 SCP/PG&E Joint-Rate Comparison Mailers



Sonoma Clean Power
P.O. Box 1030
Santa Rosa, CA 95402-1030

PRSRT STD
US POSTAGE
PAID
PERMIT #470
SANTA ROSA



We support your power to choose

40 As part of our mutual commitment to support your energy choice,
of Sonoma Clean Power (SCP) and Pacific Gas and Electric Company (PG&E)
9 have partnered to provide you with a comparison of typical commercial
O electric rates, average monthly charges and generation portfolio contents.

If this comparison does not address your specific rate, please visit
PG&E online at pge.com/cca or call **1-866-743-0335**. For information
on SCP's generation rates, please visit sonomacleanpower.org or
call **1-855-202-2139**.

Understanding your energy choice

2020 Commercial Rate Comparison, A-1 TOU*

		PG&E Solar Choice		
			CleanStart	EverGreen
Generation Rate (\$/kWh)	\$0.11572	\$0.07377	\$0.08755	\$0.11255
PG&E Delivery Rate (\$/kWh)	\$0.15169	\$0.15196	\$0.15196	\$0.15196
PG&E PCIA/FF (\$/kWh)	N/A	\$0.04065	\$0.03291	\$0.03291
Total Electricity Cost (\$/kWh)	\$0.26768	\$0.26638	\$0.27242	\$0.29742
Average Monthly Bill (\$)	\$306.68	\$305.19	\$312.11	\$340.76

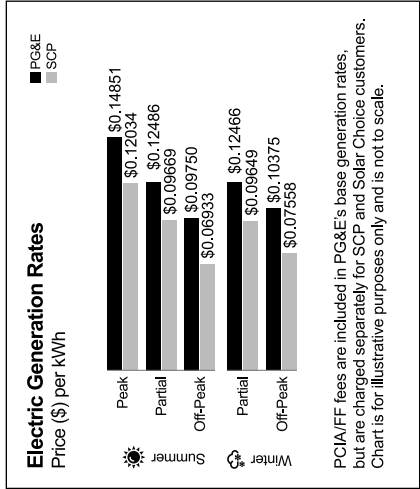
*This compares electricity costs for an average commercial customer in the SCP/PG&E service area (Sonoma and Mendocino counties) with an average monthly usage of 1,146 kilowatt-hours (kWh). This is based on a representative 12-month billing history for all customers on A-1 TOU rate schedules. Rates are effective May 1, 2020 for PG&E and July 1, 2020 for SCP.



Generation Rate is the cost of creating electricity to power your business. The generation rate varies based on your energy provider and the resources included in your energy provider's generation supply.

PG&E Delivery Rate is a charge assessed by PG&E to deliver electricity to your business. The PG&E delivery rate depends on your electricity usage, but is charged equally to both SCP and PG&E customers.

PG&E PCIA/FF represents the Power Charge Indifference Adjustment (PCIA) and the Franchise Fee surcharge (FF). The PCIA is a charge to recover PG&E's above-market costs for generation resources acquired prior to a customer's switch to a third-party electric generation provider. The PCIA also applies to PG&E customers that elect to take service under PG&E's optional Solar Choice program. PG&E acts as a collection agent for the Franchise Fee surcharge, which is levied by the California Public Utilities Commission (CPUC) on behalf of cities and counties in PG&E's service territory for all customers. The costs for resources included in the PCIA and FF surcharges are included in the generation rate for PG&E bundled service customers.

If this comparison does not address your specific rate, please visit pge.com/ccca or call **1-866-743-0335**. For information on SCP's generation rates, please visit sonomacleanpower.org or call **1-855-202-2139**.



Electric Power Generation Mix*		PG&E Solar Choice		
			CleanStart	EverGreen
			Percent of Total Retail Sales (MWh)	
Specific Purchases				
Renewable	29%	100%	50%	100%
• Biomass & Biowaste	3%	0%	0%	0%
• Geothermal	2%	0%	18%	74%
• Eligible Hydroelectric	2%	0%	0%	0%
• Solar Electric	12%	100%	8%	26%
• Wind	9%	0%	25%	0%
Coal	0%	0%	0%	0%
Large Hydroelectric	27%	0%	46%	0%
Natural Gas	0%	0%	0%	0%
Nuclear	44%	0%	0%	0%
Other	0%	0%	0%	0%
Unspecified Sources of Power**	0%	0%	3%	0%
TOTAL	100%	100%	100%	100%

*As reported to the California Energy Commission's Power Source Disclosure Program, PG&E data is subject to an independent audit and verification that will not be completed until October 1, 2020. The figures above may not sum up to 100 percent due to rounding.

**Unspecified sources of power refers to electricity that is not traceable to a specific generating facility, such as electricity traded through open market transactions. Unspecified sources of power are typically a mix of all resource types, and may include renewables.


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Understanding your energy choice

2020 Commercial Rate Comparison, A-10S TOU*

		PG&E Solar Choice	Sonoma Clean Power	
			CleanStart	EverGreen
Generation Rate (\$/kWh)	\$0.12176	\$0.07372	\$0.09210	\$0.11710
PG&E Delivery Rate (\$/kWh)	\$0.11639	\$0.11639	\$0.11639	\$0.11639
PG&E PCIA/FF (\$/kWh)	N/A	\$0.04379	\$0.03544	\$0.03544
Total Electricity Cost (\$/kWh)	\$0.23815	\$0.23390	\$0.24393	\$0.26893
Average Monthly Bill (\$)	\$4,192.21	\$4,117.40	\$4,293.96	\$4,734.04

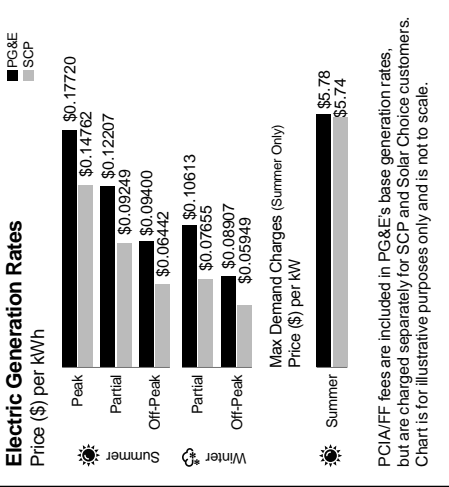
*This compares electricity costs for an average commercial customer in the SCP/PG&E service area (Sonoma and Mendocino counties) with an average monthly demand of 62 kW and an average monthly usage of 17,603 kilowatt-hours (kWh). This is based on a representative 12-month billing history for all customers on A-10S TOU rate schedules. Rates are effective May 1, 2020 for PG&E and July 1, 2020 for SCP.


Generation Rate is the cost of creating electricity to power your business. The generation rate varies based on your energy provider and the resources included in your energy provider's generation supply.

PG&E Delivery Rate is a charge assessed by PG&E to deliver electricity to your business. The PG&E delivery rate depends on your electricity usage, but is charged equally to both SCP and PG&E customers.

PG&E PCIA/FF represents the Power Charge Indifference Adjustment (PCIA) and the Franchise Fee surcharge (FF). The PCIA is a charge to recover PG&E's above-market costs for generation resources acquired prior to a customer's switch to a third-party electric generation provider. The PCIA also applies to PG&E customers that elect to take service under PG&E's optional Solar Choice program. PG&E acts as a collection agent for the Franchise Fee surcharge, which is levied by the California Public Utilities Commission (CPUC) on behalf of cities and counties in PG&E's service territory for all customers. The costs for resources included in the PCIA and FF surcharges are included in the generation rate for PG&E bundled service customers.

If this comparison does not address your specific rate, please visit PG&E online at pge.com/ecca or call 1-866-743-0335. For information on SCP's generation rates, please visit sonomacleanpower.org or call 1-855-202-2139.



Electric Power Generation Mix*		PG&E Solar Choice	Sonoma Clean Power		
			CleanStart	EverGreen	
			Percent of Total Retail Sales (MWh)		
Specific Purchases					
Renewable	29%	100%	50%	100%	
• Biomass & Biowaste	3%	0%	0%	0%	
• Geothermal	2%	0%	18%	74%	
• Eligible Hydroelectric	2%	0%	0%	0%	
• Solar Electric	12%	100%	8%	26%	
• Wind	9%	0%	25%	0%	
Coal	0%	0%	0%	0%	
Large Hydroelectric	27%	0%	46%	0%	
Natural Gas	0%	0%	0%	0%	
Nuclear	44%	0%	0%	0%	
Other	0%	0%	0%	0%	
Unspecified Sources of Power**	0%	0%	3%	0%	
TOTAL	100%	100%	100%	100%	

*As reported to the California Energy Commission's Power Source Disclosure Program, PG&E data is subject to an independent audit and verification that will not be completed until October 1, 2020. The figures above may not sum up to 100 percent due to rounding.

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Understanding your energy choice

2020 Residential Electric
Rate Comparison, E-1*

		PG&E Solar Choice		
			CleanStart	EverGreen
Generation Rate (\$/kWh)	\$0.11752	\$0.07312	\$0.09012	\$0.11512
PG&E Delivery Rate (\$/kWh)	\$0.16385	\$0.16385	\$0.16385	\$0.16385
PG&E PCIA/FF (\$/kWh)	N/A	\$0.04243	\$0.03434	\$0.03434
Total Electricity Cost (\$/kWh)	\$0.28137	\$0.27940	\$0.28831	\$0.31331
Average Monthly Bill (\$)	\$134.24	\$133.30	\$137.55	\$149.48

*This compares electricity costs for an average residential customer in the SCP/PG&E service area (Sonoma and Mendocino counties) with an average monthly usage of 477 kilowatt-hours (kWh). This is based on a representative 12-month billing history for all customers on E-1 rate schedules. Rates are effective May 1, 2020 for PG&E and July 1, 2020 for SCP.



Generation Rate is the cost of creating electricity to power your home. The generation rate varies based on your energy provider and the resources included in your energy provider's generation supply.

PG&E Delivery Rate is a charge assessed by PG&E to deliver electricity to your home. The PG&E delivery rate depends on your electricity usage, but is charged equally to both SCP and PG&E customers.

PG&E PCIA/FF represents the Power Charge Indifference Adjustment (PCIA) and the Franchise Fee surcharge (FF). The PCIA is a charge to recover PG&E's above-market costs for generation resources acquired prior to a customer's switch to a third-party electric generation provider. The PCIA also applies to PG&E customers that elect to take service under PG&E's optional Solar Choice program. PG&E acts as a collection agent for the Franchise Fee surcharge, which is levied by the California Public Utilities Commission (CPUC) on behalf of cities and counties in PG&E's service territory for all customers. The costs for resources included in the PCIA and FF surcharges are included in the generation rate for PG&E bundled service customers.

If this comparison does not address your specific rate, please visit PG&E online at pge.com/ccs or call **1-866-743-0335**. For information on SCP's generation rates, please visit sonomacleanpower.org or call **1-855-202-2139**.

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Electric Power Generation Mix*		PG&E Solar Choice		
			CleanStart	EverGreen
Specific Purchases	Percent of Total	Percent of Total	Retail Sales (MWh)	
Renewable	29%	100%	50%	100%
• Biomass & Biowaste	3%	0%	0%	0%
• Geothermal	2%	0%	18%	74%
• Eligible Hydroelectric	2%	0%	0%	0%
• Solar Electric	12%	100%	8%	26%
• Wind	9%	0%	25%	0%
Coal	0%	0%	0%	0%
Large Hydroelectric	27%	0%	46%	0%
Natural Gas	0%	0%	0%	0%
Nuclear	44%	0%	0%	0%
Other	0%	0%	0%	0%
Unspecified Sources of Power**	0%	0%	3%	0%
TOTAL	100%	100%	100%	100%

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Understanding your energy choice

2020 Commercial Electric Rate Comparison, E-19SV*

		PG&E Solar Choice	Sonoma Clean Power	
			CleanStart	EverGreen
Generation Rate (\$/kWh)	\$0.10824	\$0.06977	\$0.08083	\$0.10583
PG&E Delivery Rate (\$/kWh)	\$0.08961	\$0.08961	\$0.08961	\$0.08961
PG&E PCIA/FF (\$/kWh)	N/A	\$0.04013	\$0.03249	\$0.03249
Total Electricity Cost (\$/kWh)	\$0.19785	\$0.19951	\$0.20293	\$0.22793
Average Monthly Bill (\$)	\$5,246.40	\$5,290.41	\$5,381.10	\$6,044.03

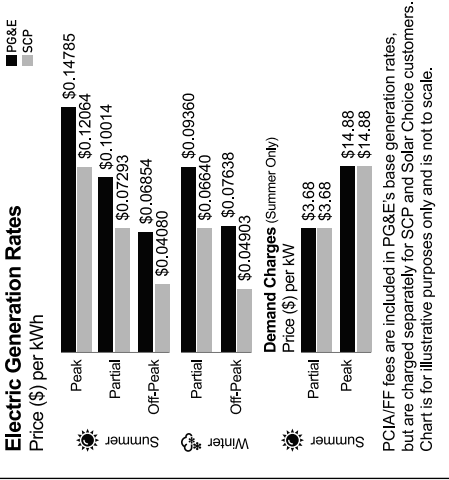
*This compares electricity costs for an average commercial customer in the SCP/PG&E service area (Sonoma and Mendocino counties) with an average monthly demand of 59 kW and an average monthly usage of 26,517 kilowatt-hours (kWh). This is based on a representative 12-month billing history for all customers on E-19S rate schedules. Rates are effective May 1, 2020 for PG&E and July 1, 2020 for SCP.


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Electric Power Generation Mix*		PG&E Solar Choice	Sonoma Clean Power			
			CleanStart		EverGreen	
			Percent of Total Retail Sales (MWh)			
Specific Purchases						
Renewable	29%	100%	50%	100%		
• Biomass & Biowaste	3%	0%	0%	0%		
• Geothermal	2%	0%	18%	74%		
• Eligible Hydroelectric	2%	0%	0%	0%		
• Solar Electric	12%	100%	8%	26%		
• Wind	9%	0%	25%	0%		
Coal	0%	0%	0%	0%		
Large Hydroelectric	27%	0%	46%	0%		
Natural Gas	0%	0%	0%	0%		
Nuclear	44%	0%	0%	0%		
Other	0%	0%	0%	0%		
Unspecified Sources of Power**	0%	0%	3%	0%		
TOTAL	100%	100%	100%	100%		

*As reported to the California Energy Commission's Power Source Disclosure Program, PG&E data is subject to an independent audit and verification that will not be completed until October 1, 2020. The figures above may not sum up to 100 percent due to rounding.

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Staff Report - Item 06

To: Sonoma Clean Power Authority Board of Directors

From: Neal Reardon, Director of Regulatory Affairs
Geof Syphers, Chief Executive Officer

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

Date: October 1, 2020

Requested Board Action:

Receive Legislative and Regulatory Updates and Provide Direction as Appropriate.

Regulatory Update

Microgrids

The CPUC continues to facilitate stakeholder feedback on how to best enable accelerated deployment of microgrids to provide resiliency in light of PSPS events. A June Decision focused on streamlining the interconnection process, revising existing tariffs, and leveraging the role of local governments by granting them more data and visibility into the IOU process.

On July 22nd, the Commission opened a second Track of the microgrids proceeding focused on addressing challenges to widespread microgrid deployment, including interconnection requirements and necessary tariffs. As was done in the first Track of this proceeding, Energy Division staff began the conversation by issuing a staff proposal which SCP and dozens of stakeholder groups provided comments on.

On August 25th the CPUC hosted an all-day workshop to evaluate alternatives to diesel-powered microgrids. SCP staff and a citizen of Fort Bragg were invited to present a concept for a low-GHG microgrid that could serve critical load in that area. Following that workshop, the administrative law judge issued a Ruling requesting

stakeholder feedback on multiple issues, most notably whether solutions to PSPS outages should prioritize critical loads.

SCP staff, working in collaboration with staff from Marin Clean Energy and Peninsula Clean Energy Authority, argued that PG&E's proposed solution to install permanent fossil generation is at odds with State policy and infringes upon the rights of local government which have a critical role in supporting or denying new infrastructure development in their communities.

PG&E Energy Resource Recovery Account (ERRA)

ERRA Forecast Proceedings adopt PG&E and PCIA rates for the following year. SCP and a coalition of Northern California CCAs continue to litigate multiple errors, omissions, and questionable interpretations of Commission policy in PG&E's 2021 ERRA Application.

Taken in sum, these contested issues would add \$175.4 million in additional charges for CCA customers. However, over the course of this proceeding PG&E has agreed to reduce that figure by \$136 million. The remaining \$39 million (\$175 million originally proposed - \$136 million in reductions) remains under litigation. Any reductions in charges would be applied to future PCIA fees.

Power Charge Indifference Adjustment (PCIA)

Decision 18-10-019 accepted CCA arguments that bundled IOU customers should also be made aware how much they are being charged for above-market resources. That Decision ordered the utilities to submit Advice Letters detailing the changes to bundled customer bills and tariffs to provide transparency about above-market costs. PG&E's initial submittal on Sept. 1st adds a line item for PCIA on bundled bills on the back of Page One of the bill ("Rules and Rates" and "Your Electric Charges Breakdown" page). PG&E proposes to update the definition of PCIA from "Ensures that non-exempt customers under PG&E's GT and ECR rate schedules or who purchase electricity (generation) from non-PG&E supplies pay their share of generation costs" to "An amount to recover above-market portion of PG&E's electric generation portfolio". PG&E stated in the Advice Letter that due to a backlog in making other required changes to their billing system they will not likely be able to implement this change until 2022 at the earliest. The Northern California CCAs, including SCP, are working on a joint protest asking the Commission to require PG&E to make the changes by the end of 2021 as was decided in D 20-03-019. The Joint

CCAs are also asking the Commission to open a working group on creating more parity between bundled and unbundled customer bills.

Integrated Resource Plan

SCP staff filed our required Integrated Resource Plan (IRP) with the Commission several days in advance of the September 1st deadline. It is now under review by Energy Division staff, who will aggregate all individual IRPs into a supply portfolio they will compare with forecasted demand. The next required IRP filing will likely be in July of 2022.

Legislative Update

The Legislature finished its 2020 session on August 31. It was a difficult session because of the limitations and impacts of COVID-19, however toward the end of session the Assembly and Senate leaders appear to have grown more adversarial and a number of bills failed simply due to running out of time, and a lack of hearings. For the bills that did pass, the Governor now has until October 1, 2020 to sign or veto them.

Notable results:

- AB 841 (Ting): Ratepayer funded EV infrastructure and energy efficiency funds for schools passed and was sent to the Governor.
- AB 913 (Calderon): A bill was introduced on the last possible day and quickly passed to allow IOUs to securitize their undercollection of electric distribution revenues in 2020 due to lower overall sales of electric energy from COVID-19, and have ratepayers pay off that amount over several years.
- AB 1659 (Bloom): An extremely last-minute bill failed to pass that would have extended the DWR bond charge on all ratepayer bills (about 95 cents per home per month) to provide \$3 billion for wildfire and climate resiliency projects. An effort to switch to a \$500 million budget item also did not immediately move, and staff expects this to return in January.
- SB 115 (Budget Committee): A budget fix bill included \$51 million for the CEC's California Electric Vehicle Infrastructure Project (CALeVIP) program passed and was sent to the Governor.

- SB 364 (Mitchell): A bill passed to protect certain solar facilities from being reassessed for property tax purposes if voters pass the Proposition 13 split roll tax bill in November.
- SB 1117 (Monning): A change in mobilehome park billing requirements passed to ensure that residents are charged the actual rates of the park's electric provider in cases where the park is served by a CCA.

More recently, on September 23, Governor Newsom signed an executive order calling for the end of new gasoline-powered vehicle sales by 2035.

Attachments:

- Governor's Executive Order calling to end new gasoline-powered car sales
- Example letter to SCP member jurisdictions providing links to sample compliance policies to streamline electric vehicle charging permitting
- CalCCA letter to Governor Newsom with recommendations, following September Flex Alerts
- Copy of SCP's existing legislative policy platform, which will be a topic on the November agenda

EXECUTIVE ORDER N-79-20

WHEREAS the climate change crisis is happening now, impacting California in unprecedented ways, and affecting the health and safety of too many Californians; and

WHEREAS we must accelerate our actions to mitigate and adapt to climate change, and more quickly move toward our low-carbon, sustainable and resilient future; and

WHEREAS the COVID-19 pandemic has disrupted the entire transportation sector, bringing a sharp decline in demand for fuels and adversely impacting public transportation; and

WHEREAS as our economy recovers, we must accelerate the transition to a carbon neutral future that supports the retention and creation of high-road, high-quality jobs; and

WHEREAS **California's long-term** economic resilience requires bold action to eliminate emissions from transportation, which is the largest source of emissions in the State; and

WHEREAS the State must prioritize clean transportation solutions that are accessible to all Californians, particularly those who are low-income or experience a disproportionate share of pollution; and

WHEREAS zero emissions technologies, especially trucks and equipment, reduce both greenhouse gas emissions and toxic air pollutants that disproportionately burden our disadvantaged communities of color; and

WHEREAS California is a world leader in manufacturing and deploying zero-emission vehicles and chargers and fueling stations for cars, trucks, buses and freight-related equipment; and

WHEREAS passenger rail, transit, bicycle and pedestrian infrastructure, and micro-mobility options are critical components to the State achieving carbon neutrality and connecting communities, requiring coordination of investments and work with all levels of governments including rail and transit agencies to support these mobility options; and

WHEREAS **California's policies have** contributed to an on-going reduction in in-state oil extraction, which has declined by over 60 percent since 1985, but demand for oil has not correspondingly declined over the same period of time; and

WHEREAS California is already working to decarbonize the transportation fuel sector through the Low Carbon Fuel Standard, which recognizes the full life cycle of carbon in transportation emissions including transport into the State; and

WHEREAS clean renewable fuels play a role as California transitions to a decarbonized transportation sector; and

WHEREAS to protect the health and safety of our communities and workers the State must focus on the impacts of oil extraction as it transitions away from fossil fuel, by working to end the issuance of new hydraulic fracturing permits by 2024; and

WHEREAS a sustainable and inclusive economic future for California will require retaining and creating high-road, high-quality jobs through sustained engagement with communities, workers and industries in changing and growing industries.

NOW THEREFORE, I, GAVIN NEWSOM, Governor of the State of California by virtue of the power and authority vested in me by the Constitution and the statutes of the State of California, do hereby issue the following Order to pursue actions necessary to combat the climate crisis.

IT IS HEREBY ORDERED THAT:

1. It shall be a goal of the State that 100 percent of in-state sales of new passenger cars and trucks will be zero-emission by 2035. It shall be a further goal of the State that 100 percent of medium- and heavy-duty vehicles in the State be zero-emission by 2045 for all operations where feasible and by 2035 for drayage trucks. It shall be further a goal of the State to transition to 100 percent zero-emission off-road vehicles and equipment by 2035 where feasible.
2. The State Air Resources Board, to the extent consistent with State and federal law, shall develop and propose:
 - a) Passenger vehicle and truck regulations requiring increasing volumes of new zero-emission vehicles sold in the State towards the target of 100 percent of in-state sales by 2035.
 - b) Medium- and heavy-duty vehicle regulations requiring increasing volumes of new zero-emission trucks and buses sold and operated in the State towards the target of 100 percent of the fleet transitioning to zero-emission vehicles by 2045 everywhere feasible and for all drayage trucks to be zero-emission by 2035.
 - c) Strategies, in coordination with other State agencies, U.S. Environmental Protection Agency and local air districts, to achieve 100 percent zero-emission from off-road vehicles and equipment operations in the State by 2035.

In implementing this Paragraph, the State Air Resources Board shall act consistently with technological feasibility and cost-effectiveness.

3. **The Governor's Office of Business and Economic Development**, in consultation with the State Air Resources Board, Energy Commission, Public Utilities Commission, State Transportation Agency, the

Department of Finance and other State agencies, local agencies and the private sector, shall develop a Zero-Emissions Vehicle Market Development Strategy by January 31, 2021, and update every three years thereafter, that:

- a) Ensures coordinated and expeditious implementation of the system of policies, programs and regulations necessary to achieve the goals and orders established by this Order.
 - b) Outlines State agencies' actions to support new and used zero-emission vehicle markets for broad accessibility for all Californians.
4. The State Air Resources Board, the Energy Commission, Public Utilities Commission and other relevant State agencies, shall use existing authorities to accelerate deployment of affordable fueling and charging options for zero-emission vehicles, in ways that serve all communities and in particular low-income and disadvantaged communities, consistent with State and federal law.
5. The Energy Commission, in consultation with the State Air Resources Board and the Public Utilities Commission, shall update the biennial statewide assessment of zero-emission vehicle infrastructure required by Assembly Bill 2127 (Chapter 365, Statutes of 2018) to support the levels of electric vehicle adoption required by this Order.
6. The State Transportation Agency, the Department of Transportation and the California Transportation Commission, in consultation with the Department of Finance and other State agencies, shall by July 15, 2021 identify near term actions, and investment strategies, to improve clean transportation, sustainable freight and transit options, while continuing a "fix-it-first" approach to our transportation system, including where feasible:
- a) Building towards an integrated, statewide rail and transit network, consistent with the California State Rail Plan, to provide seamless, affordable multimodal travel options for all.
 - b) Supporting bicycle, pedestrian, and micro-mobility options, particularly in low-income and disadvantaged communities in the State, by incorporating safe and accessible infrastructure into projects where appropriate.
 - c) Supporting light, medium, and heavy duty zero-emission vehicles and infrastructure as part of larger transportation projects, where appropriate.
7. The Labor and Workforce Development Agency and the Office of Planning and Research, in consultation with the Department of Finance and other State agencies, shall develop by July 15, 2021 and expeditiously implement a Just Transition Roadmap, consistent with the recommendations in the "Putting California on the High Road: A Jobs and Climate Action Plan for 2030" report pursuant to Assembly Bill 398 (Chapter 135, Statutes of 2017).

8. To support the transition away from fossil fuels consistent with the goals established in this Order and California's goal to achieve carbon neutrality by no later than 2045, the California Environmental Protection Agency and the California Natural Resources Agency, in consultation with other State, local and federal agencies, shall expedite regulatory processes to repurpose and transition upstream and downstream oil production facilities, while supporting community participation, labor standards, and protection of public health, safety and the environment. The agencies shall report on progress and provide an action plan, including necessary changes in regulations, laws or resources, by July 15, 2021.
9. The State Air Resources Board, in consultation with other State agencies, shall develop and propose strategies to continue the State's current efforts to reduce the carbon intensity of fuels beyond 2030 with consideration of the full life cycle of carbon.
10. The California Environmental Protection Agency and the California Natural Resources Agency, in consultation with the Office of Planning and Research, the Department of Finance, the Governor's Office of Business and Economic Development and other local and federal agencies, shall develop strategies, recommendations and actions by July 15, 2021 to manage and expedite the responsible closure and remediation of former oil extraction sites as the State transitions to a carbon-neutral economy.
11. The Department of Conservation's Geologic Energy Management Division and other relevant State agencies shall strictly enforce bonding requirements and other regulations to ensure oil extraction operators are responsible for the proper closure and remediation of their sites.
12. The Department of Conservation's Geologic Energy Management Division shall:
 - a) Propose a significantly strengthened, stringent, science-based health and safety draft rule that protects communities and workers from the impacts of oil extraction activities by December 31, 2020.
 - b) Post on its website for public review and consultation a draft rule at least 60 days before submitting to the Office of Administrative Law.

IT IS FURTHER ORDERED that as soon as hereafter possible, the Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 23rd day of September 2020.

GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

50 Santa Rosa Ave., 5th Floor
Santa Rosa, CA 95404

September 11, 2020

City Mayor
Vice Mayor
City Manager
City/town of
City Street Address
City, CA Zip Code

RE: AB 1236 (Chiu), Local ordinances: electric vehicle charging stations permit streamlining

Dear Mayor *name*, Vice Mayor *name*, and City Manager *name*:

To help the *city/town* save time, Sonoma Clean Power Authority (SCPA) is providing example documents for complying with State requirements relating to electric vehicle charging stations.

Since our inception, SCPA has worked to reduce greenhouse gas (GHG) emissions in our service territory. On-road transportation has been identified as the biggest source of GHG emissions in our territory as well as statewide.

In an effort to promote and encourage use of EVs and reduce barriers to the installation of electric vehicle charging stations (EVCS), the Legislature, in 2015, passed [Assembly Bill 1236 \(Chiu\)](#). This legislation required cities and counties to adopt an ordinance creating an expedited and streamlined permitting process for EVCS. The law requires that EVCSs be permitted administratively unless there is an adverse impact upon public health or safety. The law also required cities and counties to develop, adopt, and publish online a checklist of all the requirements that an EVCS needs to comply with for the expedited review.

To help build out California's zero emission vehicle infrastructure, the California Governor's Office of Business and Economic Development (Go-Biz) developed the "[EV Charging Station Permitting Streamlining Map](#)" as a companion to their [July 2019 Electric Vehicle Charging Station Permitting Guidebook](#). This map tracks the permit streamlining and compliance across the State.

According to the Go-Biz map, *city/town* appears to not have an ordinance or a checklist on file per AB 1236.

Because transportation electrification is crucial to helping us meet our mission of turning the tide on the climate crisis, we want to offer several resources and examples from local jurisdictions that may help reduce the time it takes for *city/town* to complete its process for compliance with AB 1236.

50 Santa Rosa Ave., 5th Floor
Santa Rosa, CA 95404

- Redwood Empire Association of Code Officials, in partnership with the Sonoma County Regional Climate Protection Authority
 - [*Electric Vehicle Charging Station Permitting and Inspection Streamlining Guidance*](#)
- California Building Officials
 - [AB 1236 AB 1236 Electric Vehicle Charging Stations Tool Kit - Small Jurisdictions](#)
- County of Sonoma
 - [Ordinance No. 6175 Electric Vehicle Charging Station Permitting](#)
 - [BPC-062 Expedited Permitting Process for Electric Vehicle Charging Stations Checklist](#)
- City of Sebastopol
 - [Ordinance No. 1094 Electric Vehicle Charging Station Permitting](#)
 - [General Permitting Requirements Checklist](#)
- City of Healdsburg
 - [Ordinance No. 1167 Electric Vehicle Charging Station Permitting](#)
 - [Expedited Permitting for EV Chargers Checklist](#)
- City of Rohnert Park
 - [Ordinance No. 909 Electric Vehicle Charging Station Permitting](#)
 - [Checklist for Permitting Electric Vehicles and Electric Vehicle Service Equipment \(EVSE\) Checklist](#)
- City of Cotati
 - [Ordinance No. 875 Streamlined Permitting Process for Electric Vehicle Charging Station Permitting](#)
 - [EV Charger Streamlined Permitting Checklist](#)
- City of Sonoma
 - [Ordinance No. 04-2017 Expedited Permitting Process Electric Vehicle Charging Station Permitting](#)
 - [Submittal Requirements Checklist for Permitting of Electric Vehicle Charging Stations \(EVCS\)](#)

We hope these resources are helpful.

Signed,



Geof Syphers
CEO

50 Santa Rosa Ave., 5th Floor
Santa Rosa, CA 95404

Cc: SCP Board of Directors Chair Patrick Slayter
SCP Board of Directors Vice Chair Melanie Bagby
SCP Board of Directors Director *Director name*
SCP Community Advisory Committee Chair Dick Dowd
SCP Community Advisory Committee Vice Chair Karen Baldwin
SCP Community Advisory Committee member Michael Nicholls

EXAMPLE

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FOR IMMEDIATE RELEASE: 9.9.2020

Contact: Leora Broydo Vestel

(415) 999-4757 | leora@cal-cca.org

CalCCA Proposes Policy Changes to Improve Reliability of California's Electric System

CCA Association Calls for Immediate Action in Regulatory, Legislative, and Federal Arenas

Concord, Calif. – With record-breaking heat and rampant wildfires threatening the stability of California's power grid, the California Community Choice Association (CalCCA) is calling for immediate policy action to improve the reliability of the state's electric system. In a [letter sent today](#) to Governor Gavin Newsom, CalCCA provides a series of recommendations that, if implemented, would help to avert future grid emergencies.

California power supplies were exceptionally tight during extreme heat storms that engulfed the state over the Labor Day weekend and in mid-August, and out-of-control wildfires have knocked out critical generation and transmission facilities. The emergency conditions, fueled by climate change, reveal an urgent need to reform the existing resource adequacy rules administered by the California Public Utilities Commission (CPUC) and California Independent System Operator (CAISO), and focus the state's integrated resource planning (IRP) process more rigorously on supply reliability.

"As the root causes of the extreme emergency events are revealed, they may point directly to solutions necessary to mitigate the risk of repeating similar events in the future," CalCCA Executive Director Beth Vaughan noted in the letter to the Governor. "Even without certainty regarding those causes, however, California can begin now to take steps to increase reliability through action in the regulatory, legislative, and federal arenas."

CalCCA recommends the following near-term actions to improve the reliability of California's electric system:

1. *The CPUC should continue to ensure adequate supplies will be in place for summer 2021 requirements and beyond through the procurement track of the IRP process, and review its import restrictions in the context of the lessons learned during the extreme emergency events.*
2. *The Legislature should enact AB 3014 (Muratsuchi) to establish a Central Reliability Authority*

(CRA) responsible for planning and coordinating the state's resource adequacy with the CAISO and, where necessary, procuring backstop supply.

3. California should support the expansion of the federal Investment Tax Credit (ITC) to standalone energy storage resources and the removal of charging restrictions currently limiting the flexibility of battery energy storage to support the state's ramping and peak needs.

CalCCA also recommends the Governor appoint an *Independent Review Panel* to consider the results of a root-cause investigation of the strained grid conditions that led the CAISO to initiate rotating outages on August 14 and 15, leaving thousands of Californians without power. CAISO, the CPUC, and California Energy Commission (the Joint Agencies) are investigating the August events and will issue a report with their findings. A review panel, CalCCA asserts, should consist of former agency experts, non-market participants representing each of the three categories of load serving entities (IOUs, CCAs, and ESPs), and other key stakeholders.

"While the Joint Agencies are no doubt motivated to prevent future shortages, an objective eye will ensure that natural biases do not affect the characterization of the root cause or proposed mitigation measures," CalCCA notes.

CCAs share the state's strong interest in ensuring reliable energy supply and grid operations and have actively engaged in regulatory efforts to boost reliability. Collectively, CCAs have executed almost 5,000 MW (5GW) of long-term power purchase agreements for new-build solar, wind, geothermal, and energy storage projects. Additionally, CalCCA members have taken the following actions to bolster reliability and prepare for future grid emergencies:

- Expanding the use of critical peak pricing and TOU pricing that maximizes incentives for shifting demand away from periods of high stress on the grid.
- Exceeding their share of the three-year 3,300 MW resource adequacy procurement ordered in October 2019 (to be installed between 2021 and 2023).
- Taking steps to form a Joint Powers Authority to enable cooperative procurement of large-scale resources (e.g., long duration storage projects).
- Installing hybrid generation and storage solutions to enhance the reliability of new solar resources and to reduce emissions from existing resources.
- Facilitating the installation of clean energy backup power systems at local critical facilities used by the community for disaster preparedness.

CCAs are prepared to do more and are committed to working with the Joint Agencies and the investor-owned utilities (IOUs) to support reliable energy service and ensure sufficient in-state renewable integration supply.

###

About CalCCA: Launched in 2016, the California Community Choice Association (CalCCA) represents California's community choice electricity providers before the state Legislature and at regulatory agencies, advocating for a level playing field and opposing policies that unfairly discriminate against CCAs and their customers. There are currently 21 operational CCA programs in California serving approximately 10 million customers.

For more information about CalCCA and community choice, visit www.cal-cca.org. To stay current on CCA in California, sign up for our mailing list [here](#).

September 9, 2020

The Honorable Gavin Newsom
Governor, State of California
State Capitol, 1st Floor
Sacramento, California 95814

Dear Governor Newsom:

The California Community Choice Association (CalCCA) represents 20 Community Choice Aggregators (CCAs) providing energy to customers in more than 170 cities and counties throughout California, as well as several new CCAs planning to initiate service this fall and in 2021. Collectively, CCAs serve approximately 25% of the load in the California Independent System Operator (CAISO) balancing authority control area. CalCCA's members are committed to reducing greenhouse gas emissions and, as local government agencies, are well positioned to work with the state to achieve long-term decarbonization goals.

CCAs also share the state's strong interest in ensuring reliable energy supply and grid operations and have actively engaged in regulatory efforts to secure reliability. Collectively, CCAs have executed almost 5,000 MW (5GW) of long-term power purchase agreements for new-build solar, wind, geothermal and energy storage projects. The recent rolling blackouts, however, reveal an urgent need to reform the existing resource adequacy rules administered by the California Public Utilities Commission (CPUC) and the CAISO, and focus the CPUC's integrated resource planning process more rigorously on supply reliability.

During the extreme emergency heat storms over Labor Day weekend and in August, CalCCA members took the following actions to support state efforts:

- Amplified messaging around Flex Alerts and energy conservation measures to the more than 10 million customers served by CCAs, and
- Called demand-response events and encouraged load shifting of customers, particularly those on time of use (TOU) rates.

Additionally, CalCCA members have implemented the following actions to secure reliability and prepare to respond to emergencies in the future:

- ❖ Expanding use of critical peak pricing and TOU pricing that maximizes incentives for shifting demand away from periods of high stress on the grid.
- ❖ Exceeding their share of the three-year 3,300 MW resource adequacy procurement ordered in October 2019 (to be installed between 2021 and 2023).
- ❖ Taking steps to form a Joint Powers Authority to enable cooperative procurement of large-scale resources (e.g., long duration storage projects).
- ❖ Installing hybrid generation and storage solutions to enhance the reliability of new solar resources and to reduce emissions from existing resources.
- ❖ Facilitating the installation of clean energy backup power systems at local critical facilities used by the community for disaster preparedness.

CCAs are prepared to do more and are committed to working with the Joint Agencies and the investor-owned utilities (IOUs) to support reliable energy service and ensure sufficient in-state renewable integration supply.

CalCCA Proposed Policy Changes

As the root causes of the extreme emergency events are revealed, they may point directly to solutions necessary to mitigate the risk of repeating similar events in the future. Even without certainty regarding those causes, however, California can begin now to take steps to increase reliability through action in the regulatory, legislative, and federal arenas. Going beyond individual CCA efforts, CalCCA proposes the following policy initiatives in response to the recent reliability challenges.

- ✓ **Regulatory:** *The CPUC should continue to ensure adequate supplies will be in place for summer 2021 requirements and beyond through the procurement track of the integrated resource planning process, and review its import restrictions in the context of the lessons learned during the extreme emergency events.*

The CPUC should use the Integrated Resource Plan (IRP) proceeding's procurement track in 2021 to refine our understanding of near- and mid-term reliability needs in the 2024-2026 timeframe. CalCCA supported the 3,300 MW procurement order in 2019 and supports augmenting reliability analysis conducted in IRP to identify any incremental near-term procurement beyond the current 3,300 MW order. As the need for new resources in the 2024-2026 timeframe has already been clearly identified within the IRP proceeding, CalCCA proposes using the coming months to better refine four areas:

- Identify the specific technical needs in 2024-2026 (capacity, energy, evening ramp, etc.)
 - Establish a fair process to allocate the technical need to load serving entities (LSEs) for procurement action, with recognition of early actors who contributed to reliability resources in the 2021-2023 time period
 - Develop a deeper understanding of import resource availability and institutional barriers to securing firm import resources
 - Provide appropriate market incentives and regulations for behind-the-meter infrastructure to act as supply-side energy and capacity resources
- ✓ **Legislative:** *The Legislature should put in place a Central Reliability Authority (CRA) responsible for planning and coordinating the state's resource adequacy with the CAISO and, where necessary, procuring backstop supply.*

The Legislature should enact AB 3014 (Muratsuchi) to establish the Central Reliability Authority. AB 3014 was designed to address problems with resource adequacy (RA) that have been highlighted in recent years. At the heart of this bill, the goal is to improve reliability so that the necessary energy is available when needed but is designed in a way that both keeps costs down and incentivizes local initiatives. AB 3014 would establish a Governor-appointed board to oversee the formation and operation of a nonprofit public benefit corporation that would coordinate RA planning and implement forward (multi-year) collective RA energy procurement with all LSEs. RA requirements would continue to be determined by the CPUC but the CRA would oversee resource sufficiency in coordination with the CEC and CAISO. An additional function could be added to allow the CRA to procure new resources (new builds) where there is a collective deficiency that the LSEs are unable to fill.

- ✓ **Federal:** *California should support the expansion of the federal Investment Tax Credit (ITC) to standalone energy storage resources and the removal of charging restrictions currently limiting the flexibility of battery energy storage to support the state's ramping and peak needs.*

The Governor's Office should work with California's congressional delegation to support the extension of the ITC to stand-alone storage resources and/or to remove charging restrictions in place on existing hybrid credits. Currently, ITC-eligibility is limited to storage resources installed with renewable energy resources and requires that the storage be charged primarily with energy from the solar project. These restrictions potentially limit the flexibility of energy storage in meeting ramping and peak demand needs, which is essential to continuing to integrate renewables into the grid. While CalCCA's members have entered into numerous contracts for hybrid solar and storage resources, eliminating these arbitrary regulatory constraints will increase the flexibility of these resources to meet reliability needs during constrained periods, and will make energy storage more cost-effective for ratepayers in California and across the country.

Independent Review. Finally, while a forensic review by the CAISO, CPUC and Energy Commission is foundational to an understanding of the extreme events, the review should not stop there. CalCCA supports an external review to ensure an objective assessment of the underlying causes. CalCCA recommends the Governor appoint an *Independent Review Panel* to consider the report of the Joint Agencies investigation and make recommendations. The panel should consist of former agency experts, non-market participants representing each of the three categories of load serving entities (IOUs, CCAs and ESPs), and other key stakeholders. While the Joint Agencies are no doubt motivated to prevent future shortages, an objective eye will ensure that natural biases do not affect the characterization of the root cause or proposed mitigation measures.

CalCCA and the CCA community are committed to providing clean, reliable service to safeguard California's energy future. Internally, we have identified numerous mitigation measures for consideration by the broader stakeholder community and will work in tandem with the Joint Agencies to comprehensively review the state's reliability program and to implement changes to prevent future outages and achieve our climate goals. We would welcome the opportunity to meet with you and your staff to discuss our proposals.

Sincerely,



Beth Vaughan
Executive Director

cc: Honorable Toni Atkins, President pro tempore, California State Senate
Honorable Anthony Rendon, Speaker of the Assembly
Honorable Chris Holden, Chair, Assembly Committee on Utilities and Energy
Honorable Ben Hueso, Chair, Senate Energy Utilities and Communications
Marybel Batjer, President, California Public Utilities Commission
David Hochschild, Chair, California Energy Commission
Stephen Berberich, President and CEO, California Independent System Operator
Ana Matosantos, Cabinet Secretary, Office of the Governor
Alice Reynolds, Senior Advisor, Office of the Governor



LEGISLATIVE POLICY PLATFORM FOR 2020

Sonoma Clean Power supports legislation that protects and supports CCAs and their customers within the State of California. Sonoma Clean Power's legislative efforts are guided by the following principles:

1. Customer Equity, Rates and Nonbypassable Charges

Support legislation that provides transparency into the PCIA and all nonbypassable charges, fairly allocates costs among customer classes, and minimizes total customer costs.

2. Procurement Obligation and Local Government Oversight

Defend the obligations and authority of CCA's local governing Boards of Directors to make decisions about sources of electricity, resource adequacy, customer programs, and distributed energy resources.

3. Climate and Renewable Sources

Support the decrease in use of greenhouse-gas-emitting sources of electricity by all available means, including through increasing use of renewable energy in the Renewable Portfolio Standard, load management, storage and improved reliance on existing hydropower. Support accurate reporting and labeling of greenhouse gas emissions, and oppose efforts to mischaracterize emissions.

4. Strong Markets and Local Power

Support strong energy markets to ensure customers have access to the least cost clean energy available. Support legislation that properly values local resources, such as customer-owned renewable generation and batteries.

5. Electrification and Efficiency of Buildings

Support fuel shifting from natural gas, propane and wood to electricity in buildings. Support building standards and retrofit funding for targeted energy efficiency to reduce building energy usage, particularly at times-of-day and seasons when emissions or costs are high. Support efforts to go beyond “zero net energy” and refocus energy code requirements on emissions.

6. Transportation Electrification

Support legislation that provides incentives for electric vehicles and funding for charging stations, CCA access to low-carbon fuel standard credits, CCA management of infrastructure funds in cooperation with other local agencies, and the broad promotion of electric vehicles and electric transit.

7. Operational Efficiency and Customer Transparency

Support legislation which makes operating CCAs simpler and less expensive, and oppose unnecessary administrative burdens on CCAs. Support legislation that enhances customer access to accurate information, and oppose legislation which confuses or misleads customers.

8. Energy Resilience

Support legislation that reduces the risk and severity of grid-started fires, reduces the need for large-scale and long-term public safety power shutoffs, removes impediments to the development of local clean power microgrids, supports customer and public entity rights to build and operate microgrids and supports microgrid financing, grants and streamlined authorizations and permitting. Advocate for clean energy backup power systems, and for solutions that safeguard our local economy from blackouts and which prioritize solutions for medical facilities, schools, government operations and vulnerable populations.

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Staff Report - Item 07

To: Sonoma Clean Power Authority Board of Directors

From: Kate Kelly, Director of Public Relations and Marketing
Geof Syphers, Chief Executive Officer

Issue: Receive Proposed Community Giving Guidelines and Provide Direction as Appropriate

Date: October 1, 2020

Requested Board Action:

Receive proposed Community Giving Guidelines and provide direction as appropriate.

Background

To continue Sonoma Clean Power's practice of investing in making our communities stronger, Staff proposes updating the guidelines for SCP's Community Outreach programs, to be reflective of the current environment and needs of our communities. On August 6, 2020, the SCP Board provided direction to staff to dedicate at least 50% of all community giving for the current fiscal year to non-profit organizations working locally to achieve racial equity and justice. This proposal addresses the other 50%, and includes a recommendation from the Community Advisory Committee to clarify the racial equity component to cover "social justice, in particular racial equity and justice, within marginalized communities."

Proposal

For the current fiscal year, provided SCP can maintain average customer rates within 5% of bundled rates, the Agency will donate \$75,000 to local non-profit community groups and business-to-business organizations in Sonoma and Mendocino counties. Each year, the SCP Community Advisory Committee and Board of Directors will be asked to revisit the broad priorities of SCP's Community Outreach program.

To date, \$15,000 of the fiscal year budget has been committed. Additionally, SCP has donated \$45,000 to food banks in Sonoma and Mendocino counties in direct response to COVID-19 food relief efforts (these dollars came from the prior fiscal year budget). The remaining \$60,000 in planned community giving will be allocated as follows:

- 50% for non-profit organizations advancing social justice, in particular racial equity and justice, within marginalized communities
- 25% for groups supporting local small businesses and workers affected by COVID-19
- 25% for local non-profit groups supporting fire relief

The above recommended allocations were approved unanimously by the SCP Community Advisory Committee at their September 17, 2020 meeting. Sonoma Clean Power looks forward to continuing to make meaningful contributions to benefit our communities.



Staff Report - Item 08

To: Sonoma Clean Power Authority Board of Directors

From: Cordel Stillman, Director of Programs, Chad Asay, Lead Locally Coordinator

Issue: Provide Additional Authority to the CEO to Execute Change Orders to the Construction Contract for the Advanced Energy Center

Date: October 1, 2020

Recommendation

Staff are requesting that the Board of Directors provide additional authority to the CEO's authority to approve change orders to the construction contract for the Advanced Energy Center (AEC) be increased from \$282,200 to \$482,200, an increase of \$200,000.

Background

On October 3, 2019, the Board of Directors of the Sonoma Clean Power Authority awarded a construction contract to Agbayani Construction Corporation. to perform a building renovation project at 741 4th Street in Santa Rosa. The finished project would be the home of the AEC. At the time of contract award, the Board of Directors also authorized the CEO to execute potential change orders in the amount of \$282,200 or 10% of the construction contract.

Discussion

During the course of construction on the 75-year old building, unforeseen conditions were discovered that required the contractor to perform extra work in order to provide a good finished project. These instances are listed below.

- Remove existing and install new waterproofing - \$13,332.78
- Additional demolition of drywall - \$3,524.56
- Additional ceiling joists needed - \$12,254.40

- Provide additional daylighting controls - \$3,780.00
- Upgrade of acoustical wall boards - \$11,672.63
- Addition of commissioning specifications - \$10,082.00
- Change in concrete floor preparation and coating - \$66,412.50
- Deletion of audio visual equipment - (-) \$22,005.42
- Additional flashing around skylights - \$2,185.05
- Additional framing to straighten wall - \$8,400.00
- Relocation of air conditioning ducting - \$6,580.35

In addition, our Marketing Department determined that additional visual displays would provide a better customer experience which required additional electrical and communications systems to be installed.

- Additional electrical work - \$51,035.95
- Additional communications wiring - \$19,069.93

These change orders to date totally \$219,589.08 were deemed to be reasonable and/or provided additional value to the project and were approved under the CEO's existing authority. However, these changes have nearly exhausted the CEO's existing authority.

Recently, concerns were raised by the contractor about the viability of the buildings existing main electrical panel. This panel serves not only the space we are renovating, but two additional storefronts. The panel is 75 years old and shows considerable wear and deterioration. After inspections by PG&E and the City of Santa Rosa, the City issued a "correction notice" stating that the panel will have to be replaced before they will issue a certificate of occupancy.

The expense for replacing the panel is the landlord's responsibility. The most cost effective and timely way to accomplish the panel replacement is to use the contractors that are already performing electrical work at the site. This work would be authorized by issuing a change order. The expected cost for the replacement of the panel is \$116,000. We have negotiated a reduction in rent with the landlord as the best method for repayment of this expense. In the meantime, in order to accomplish the work in a timely manner, the CEO will need additional authority to authorize payment to the contractor.

In addition to the electrical work, there are some small corrections to the design and existing conditions at the building that will add to the overall cost of the project. To allow for some additional flexibility, staff are recommending that the CEO be given an additional authorization of \$200,000 to cover these anticipated costs.

Fiscal Impact

Board approval of this item will increase the CEO's change order authority, adding \$200,000, for a total of \$482,200.

Community Advisory Committee Review

The Community Advisory Committee unanimously recommended Board approval of this item at their September 17, 2020 meeting.

Attachments

None.

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Staff Report - Item 09

To: Sonoma Clean Power Authority Board of Directors

**From: Geof Syphers, Chief Executive Officer
Stephanie Reynolds, Director of Internal Operations**

**Issue: Approve Budget Adjustment from Legislative to Programs
Implementation in the amount of \$50,000**

Date: October 1, 2020

Recommendation:

Approve proposed mid-year budget adjustment to the FY 20/21 budget.

Background:

Over the last few years, local governments from other geographical areas have expressed interest in joining SCP, or have asked for assistance in determining whether or not a CCA in their own area is feasible.

In 2019, SCP created a CCA Feasibility Grant to provide funding to disadvantaged communities to support the efforts to evaluate the feasibility of participating in a CCA program.

Discussion:

In March of 2019, SCP entered into an agreement with the City of Stockton to provide them with grant funds if certain obligations were met before June 2021. These include:

- SCP confirms eligibility. Completed before SCP signed the agreement.
- City of Stockton matches Grant funds with at least \$10,000 of its own funds.

- SCP pays \$50,000 upon the successful contracting with a firm to complete the feasibility study.
- The City of Stockton provides SCP with “Written reports on the use of Grant Funds.”
- The City of Stockton provides SCP with a copy of the written work products to the extent they are public.

During budget planning for the current fiscal year, the grant funds were accidentally left out. Staff are therefore asking the Board to approve a mid-year budget adjustment, decreasing the Legislative budget by \$50,000 and increasing Programs Implementation by \$50,000 to cover the feasibility planning grant to the City of Stockton.

Fiscal Impact:

SCP is not currently paying for a lobbyist in Sacramento, so the Legislative budget will not be negatively impacted by the decrease in funds. The budget adjustment will not change the total expenses budgeted for the fiscal year.

Attachments:

City of Stockton signed agreement.

FUNDING AGREEMENT BETWEEN THE SONOMA CLEAN POWER AUTHORITY AND THE CITY OF STOCKTON FOR FEASIBILITY ANALYSIS RELATED TO COMMUNITY CHOICE AGGREGATION PROGRAMS

This Funding Agreement for Feasibility Analyses Related to Community Choice Aggregation Programs (this "Agreement") dated October 18, 2019 (the "Effective Date"), is made by and between the Sonoma Clean Power Authority, a California joint powers authority ("SCP") and the City of Stockton ("City"), a California chartered municipal corporation, on the following terms and conditions. SCPA and City are at times referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

1. SCP is a public, locally-run community choice aggregation ("CCA") power provider serving customers in Sonoma and Mendocino Counties with a mission to help solve the climate crisis while keeping energy affordable.
2. SCP believes that community choice aggregation programs have potential to help communities throughout California to take control of their energy future and speed the achievement of California's ambitious renewable energy and climate goals.
3. SCP has agreed to make funding available to other local governments in the form of CCA Feasibility Grant, where such funding would have the potential to support the broader spread of public power benefits in California, such as creating opportunities to administer customer programs, invest in clean power sources, protect ratepayers against unreasonable costs, and generally support solutions to the climate crisis.
4. On March 19, 2019, the City provided direction to staff concerning its interest in evaluating the feasibility of participating in a CCA program.
5. SCP is now interested in providing and the City is now interested in accepting a CCA Feasibility Grant ("Grant Funds") from SCP in a total amount of fifty thousand dollars (\$50,000) to support the City's efforts to evaluate the feasibility of the City participating in a CCA program, without committing the City to pursue participation in a CCA program.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. **Recitals.** The Recitals set forth above are true and correct and are hereby incorporated into this Agreement in their entirety.
2. **Term and Termination.**
 - A. **Term.** The term of this Agreement shall be from the Effective Date through June 30, 2021.

- B. **Termination.** This Agreement may be terminated by either Party by providing at least thirty (30) days' notice from the Party's Chief Executive Officer or City Manager. Within six (6) months of termination, City agrees to return to the SCP any funds paid by SCP that remain unexpended as of the date of termination.
- 3. **City Eligibility for Grant Funds.** As a condition of receiving the Grant Funds, City represents that it satisfies the following eligibility criteria:
 - A. The City has provided SCP with a letter from the City expressing the City's intent to evaluate the feasibility of a CCA program and requesting SCP CCA Feasibility Grant Funds, attached to this Agreement as **Exhibit A**.
 - B. The City is a California local government entity.
 - C. The City can demonstrate that it has least one "SB 585 Disadvantaged Community" within its boundaries using CalEnviroScreen, or alternative mapping tool or criteria as agreed to by SCP.
- 4. **City Obligations.** The City agrees to:
 - A. Match the Grant Funds with ten thousand dollars (\$10,000) in City funds toward evaluating the feasibility of participating in a CCA program.
 - B. Administer all Grant Funds in a responsible, ethical manner that is consistent with City requirements.
 - C. Utilize all Grant Funds in a manner consistent with Section 6 of this Agreement.
- 5. **Grant Fund Amount, Payment.**
 - A. **Grant Fund Amount.** SCP agrees to provide City with fifty thousand dollars (\$50,000) in Grant Funds.
 - B. **Payment of Grant Funds.** SCP agrees to remit payment of Grant Funds to City within forty-five (45) days of the Effective Date.
- 6. **Use of Grant Funds.**
 - A. City agrees to use Grant Funds solely for the purpose of the City evaluating the feasibility, risks and options of forming or participating in an existing CCA program.
 - B. The amount of Grant Funds used for City administrative costs shall not exceed thirty percent (30%).

7. **Reporting Requirements.** Upon reasonable request from SCP, City agrees to provide SCP with:
- A. Written reports on the use of Grant Funds;
 - B. Any other documents that SCP may reasonably request to verify City's eligibility for Grant Funds or otherwise related to requirements set forth in this Agreement.
8. **Work Product.** City agrees that any written document or other work product developed with Grant Funds received through this Agreement is made available to SCP and to the public to the extent not otherwise prohibited by law.
9. **Audits.** City agrees to make available and retain all financial records related to Grant Funds and the use of the Grant Funds during the Term of this Agreement and for three (3) years after the expiration or termination of this Agreement.
10. **Indemnity.**
- A. To the fullest extent permitted by law, City shall protect, indemnify, defend and hold harmless SCP and its Board and Committee members and SCP's officers, employees and agents (each an "Indemnified Party") from and against any and all demands, claims, or liability of any nature, including death or injury to any person, property damage or any other loss, including without limitation, any costs, expenses or liability associated with studying the feasibility of CCA programs or any subsequent formation of such a program as well as all costs and expenses of whatever nature including attorney's fees, experts fees, court costs and disbursements (collectively, the "Claims") resulting from, arising out of or in any manner related to performance or nonperformance by City, its officers, employees, agents or contractors under this Agreement, regardless of whether or not it is caused in part by an Indemnified Party.
 - B. Notwithstanding the above, nothing in this section shall be construed to require City to indemnify an Indemnified Party from Claims arising from the active negligence, sole negligence or willful misconduct of an Indemnified Party.
11. **Additional Requirements.**
- A. **Notices.** All notices hereunder will be given in writing and mailed, postage prepaid, by certified mail, addressed as follows:

To Sonoma Clean Power (SCP):

Sonoma Clean Power Authority
Attn: Contract Administration
50 Santa Rosa Avenue, 5th Floor
Santa Rosa, CA 95404
sreynolds@sonomacleanpower.org

With Copies to:

Sonoma Clean Power Authority
ATTN: General Counsel
50 Santa Rosa Avenue, 5th Floor
Santa Rosa, CA 95404
jmullan@sonomacleanpower.org

To CITY:

City of Stockton, Office of the City Manager
Attn: Scott Carney, Deputy City Manager
425 North El Dorado Street
Stockton, CA 95202
scott.carney@stocktonca.gov

With Copies to:

City of Stockton, Office of the City Manager
Attn: Courtney Christy, Program Manager III
425 North El Dorado Street
Stockton, CA 95202
courtney.christy@stocktonca.gov

- B. **Authority to Bind.** The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.
- C. **Counterpart Signatures.** This Agreement may be signed in multiple counterparts, which shall, when executed by all the parties, constitute a single binding agreement.
- D. **Waiver.** No delay or omission by either party to exercise any right occurring upon any noncompliance or default by the other party with respect to any of the terms of this Agreement shall impair any such right or power or be construed as a waiver thereof. A waiver by either of the parties of any of the covenants, conditions or agreements to be performed by the other party shall not be construed to be a waiver of any succeeding breach thereof or of any covenant, condition or agreement herein contained.
- E. **Applicable Law.** This Agreement will be governed by the laws of the State of California.
- F. **Venue.** In the event that an action is brought, the parties agree that trial of such action will be vested exclusively in the state courts of California in the County of Sonoma, State of California.

- G. **Amendments.** This document represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations, and contracts, either written or oral. This document may be amended only by a written instrument, which is signed by the parties.
- H. **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement or any amendment thereto is void or unenforceable, the unaffected provisions of this Agreement and any amendments thereto will remain in full force and effect.
- I. **Statutory Compliance.** City agrees to comply with all applicable federal, state and local laws, regulations, statutes and policies applicable to the work supported by Grant Funds under this Agreement.
- J. **Nondiscrimination.** Without limiting any other provision of this Agreement, City Agrees to comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, pregnancy, disability, sexual orientation or other prohibited basis. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated by reference.
- K. **Survival of Terms.** All express representations, waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion or termination for any reason.
- L. **Joint Powers Authority.** City acknowledges that SCP is organized as a Joint Powers Authority in accordance with the Joint Powers Act of the State of California (Cal. Govt. Code section 6500 *et seq.*, as the same may be amended from time to time) pursuant to a Third Amended and Restated Joint Powers Agreement dated October 13, 2016 (the “Joint Powers Agreement”), that SCP is a public entity separate from its members, and that under the Joint Powers Agreement the members have no liability for any obligations or liabilities of SCP. City agrees that SCP shall solely be responsible for all debts, obligations and liabilities accruing and arising out of the Agreement and City agrees that it shall have no rights against, and shall not make any claim, take any actions or assert any remedies against, any of SCP’s members, any cities or counties participating in SCP’s CCA program, or any of SCP’s retail customers in connection with this Agreement.

[Signatures appear on the following page]

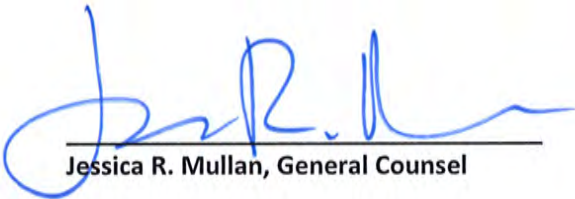
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

SONOMA CLEAN POWER AUTHORITY



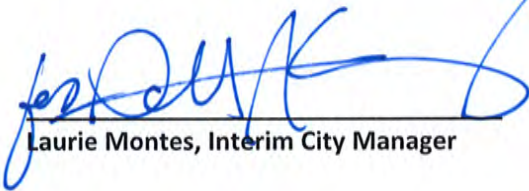
Geof Syphers, Chief Executive Officer

APPROVED AS TO FORM



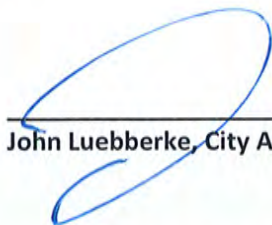
Jessica R. Mullan, General Counsel

CITY OF STOCKTON



Laurie Montes, Interim City Manager

APPROVED AS TO FORM



John Luebberke, City Attorney

EXHIBIT A

Council Decision Requesting CCA Feasibility Grant

Attachment A - Motion 2019-03-19-1404

Council provided direction to staff to complete an application for grant funds from Sonoma Clean Power to conduct a study to determine the feasibility of the City of Stockton developing a Community Choice Aggregation program.

Attachment B - Resolution 2019-08-20-1104

City Council Authorizes:

1. The appropriation of \$100,000 of Air Quality Mitigation Public Facility Fee funds to determine the feasibility of the City of Stockton developing a Community Choice Aggregation program.
2. The receipt and appropriation of any awarded grant funds for the purpose of completing a Community Choice Aggregation feasibility study including the transfer of matching funds as required by grants terms.



City of Stockton

Legislation Text

File #: 19-5334, Version: 1

COMMUNITY CHOICE AGGREGATION INFORMATIONAL PRESENTATION

RECOMMENDATION

Staff from the Center for Climate Protection and the Interim General Manager for Valley Clean Energy will present information regarding Community Choice Aggregation, and Council is asked to provide guidance regarding its interest in evaluating the feasibility of participation.

Summary

This item is presented for informational purposes, and there is no recommended Council action. Community Choice Aggregation (CCA), also known as municipal aggregation, are programs that allow local governments to procure power on behalf of residents, businesses, and municipal accounts from alternative suppliers while still receiving transmission and distribution service from the existing utility provider. Under state law, CCAs are an option for communities that want more local control over electricity sources, more green power than is offered by the default utility, and competitive electricity prices. By aggregating demand, communities gain leverage to negotiate rates with suppliers and choose power sources. There are potential benefits of CCA and many implementation issues that would need to be addressed. If Council determined that the feasibility of CCA should be explored for Stockton, expertise would need to be obtained in the form of consultants and outside counsel and staff resources would need to be redirected. Council is asked to receive the presentation from the Center for Climate Protection and Valley Clean Energy and to provide the City Manager guidance regarding CCA.

DISCUSSION

Background

Under state law (Chp. 838, Stats. 2002), customers are authorized to aggregate electrical loads with community choice aggregators. Community Choice Aggregation (CCA), also known as municipal aggregation, are programs that allow local governments to procure power on behalf of residents, businesses, and municipal accounts from alternative suppliers while still receiving transmission and distribution service from the existing utility provider. Under state law, CCAs are an option for communities that want more local control over electricity sources, more green power than is offered by the default utility, and competitive electricity prices. By aggregating demand, communities gain leverage to negotiate rates with suppliers and choose power sources.

In general, electricity customers are automatically enrolled in the electricity service selected by the CCA, although customers may opt out if they do not want to participate in the CCA. While CCAs can source electricity from any generation type, several CCAs procured green power products through alternative suppliers. CCAs may offer green power products either by default or as an optional

File #: 19-5334, Version: 1

premium package. According to the United States Environmental Protection Agency, CCAs are currently authorized in California, Illinois, Ohio, Massachusetts, New Jersey, New York, and Rhode Island. In 2016, CCAs sold about 8.7 billion kilowatt-hours of green power to about 3.3 million customers. A number of other states are also exploring CCAs.

CCAs offer several advantages and challenges. The presentation by the Center for Climate Protection and Valley Clean Energy will introduce these issues. Historically, three major attractions of participating in a CCA include lower electric rates, the potential for local control to accelerate the transition to greener power sources, and the opportunity to create local jobs in sustainable energy development. However, recent decisions by the California Public Utilities Commission (CPUC) affected the electricity rates offered by CCAs.

The National Renewable Energy Laboratory (Laboratory) completed a state-level geographic analysis of green power that reveals the demand for green power is pervasive. Green power demand is higher in states such as Illinois, California, Texas, and Massachusetts where local green power options are available, but demand exists in every state and in both urban and rural areas. Demand for green power is likely to increase across the country as green power providers offer innovative new products and renewable energy prices continue to decline. California saw the largest jump in estimated green power sales year over year of any state where CCAs are available. The Laboratory estimates that the California CCA market is likely to continue to grow as other municipalities implement new programs.

Given these market dynamics, the CPUC held a hearing on CCAs with the California Energy Commission to understand the potential impacts of CCA expansion. The hearing focused on resource planning and cost allocation, among other topics. The CPUC has authority to allocate costs across ratepayers, both utility ratepayers and those ratepayers leaving utilities for a CCA. In 2018, the CPUC approved utility requests to recover investments originally made to serve the load of departing CCA customers via an exit fee. Previously, CCA rates were marginally lower than those of the utility for some customer classes. However, recent exit fee increases reduce the ability to achieve lower rates and could also increase the number of new customers that decide to opt out of CCAs and remain with their existing utility service according to the National Renewable Energy Laboratory. Considering these changes, CCAs will need to actively market benefits other than cost savings if rates reach or exceed utility rates to retain customers.

Present Situation

Future consideration of participation in a CCA would require working through implementation issues. The City would need assistance navigating enabling state legislation and CCA regulations. Assistance would also be needed to develop and pass the appropriate local ordinances. In California, CCAs are usually administered under a Joint Powers Authority (JPA) on behalf of multiple jurisdictions. Formation of and participation in a JPA would incur upfront cost and could require additional resources. Beyond the policy and fiscal issues, significant effort would be required to educate consumers about the CCA benefits and address questions regarding implementation. Finally, it is unclear how the bankruptcy filing by the Pacific Gas and Electric Company, the City's current franchise electricity provider, may affect the City's participation in a CCA and exit fees.

File #: 19-5334, Version: 1

FINANCIAL SUMMARY

There is no cost associated with receiving the presentation and providing guidance to the City Manager regarding CCA.

If the City were to pursue CCA, there would be costs to determine the feasibility of implementing CCA in Stockton. An analysis completed for the City of Arcata estimated pre-startup costs ranging from \$750,000 to \$1.7 million. This estimate is in line with Alameda County estimates of the upfront costs for a feasibility study and implementation plan, including staff time, at \$1.3 million. The Alameda estimate assumed three to four dedicated staff for at least a year. The total cost estimate, including community engagement, coordination with local agencies and JPA formation was \$3.2 million for the County. Further time and resources would be required to determine a cost for the City. Ultimately, the effect on rates paid by electricity consumers would not be known until CCA implementation issues and boundaries are set and a feasibility study is completed.

**MINUTES
CITY COUNCIL/SUCCESSOR AGENCY TO THE REDEVELOPMENT
AGENCY/PUBLIC FINANCING AUTHORITY/PARKING AUTHORITY
CONCURRENT
MEETING OF MARCH 19, 2019**

Council Chamber - City Hall, 425 N. El Dorado Street, Stockton CA

1. CLOSED SESSION CALL TO ORDER/ROLL CALL - 4:30 PM

Roll Call

Present:

Jesus Andrade
Paul Canepa
Christina Fugazi
Sol Jobrack
Susan Lenz
Michael Tubbs

Absent:

Daniel Wright.

NOTE: Vice Mayor Wright arrived to Closed Session at 4:31 PM

2. ADDITIONS TO CLOSED SESSION AGENDA

None

3. ANNOUNCEMENT OF CLOSED SESSION

3.1 19-5313 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Number of Cases: Six

Name of Case: Wells Fargo Bank v. City of Stockton (San Joaquin County Superior Court Case No. 39-2012-00277662)

Name of Case: Wells Fargo Bank, National Association, as Indenture Trustee v. City of Stockton (San Joaquin County Superior Court Case No. 39-2012-00280741)

Name of Case: In re City of Stockton, California - Debtor (United States Bankruptcy Court, Eastern District of California Case No. 2012-32118)

Name of Case: Febe Tabotabo, et al. v. City of Stockton (San Joaquin County Superior Court Case No. STK-CV-UAT-2018-03998)

Approve **Motion 2019-03-19-1403-02** continuing the Mayor's Task Force on Affordable Housing for one year with a focus on protections

Moved by: Michael Tubbs, seconded by Daniel Wright.

Vote: Motion carried 7-0

Yes: Jesus Andrade, Paul Canepa, Christina Fugazi , Sol Jobrack, Susan Lenz, Michael Tubbs, and Daniel Wright.

14.4 19-5334 COMMUNITY CHOICE AGGREGATION INFORMATIONAL PRESENTATION

Legislation Text

Document filed by Woody Hastings - Center for Climate Protection - Clean Power Exchange

PowerPoint presentation - Valley Clean Energy

The following person(s) spoke to the item: Jonathan Pruitt, Environmental Justice Program Coordinator, Catholic Charities Diocese of Stockton; Margo Praus, Chair, Delta Sierra Group; Yolanda Park, Center for Climate Protection; Richard Abood, Executive Committee Member, Delta Sierra Group; Paul Plathe, Vice Chair, Delta Sierra Group

NOTE: Councilmember Canepa left the meeting at 8:30 PM

Approve **Motion 2019-03-19-1404** directing staff to move forward with the grant application to fund the feasibility study for the City of Stockton to consider Community Choice Aggregation

Moved by: Michael Tubbs, seconded by Daniel Wright.

Vote: Motion carried 6-0

Yes: Jesus Andrade, Christina Fugazi , Sol Jobrack, Susan Lenz, Michael Tubbs, and Daniel Wright.

Absent: Paul Canepa.

NOTE: Councilmember Canepa returned to the meeting at 8:35 PM

14.5 19-5238 CLIMATE ACTION PLAN UPDATE AND TRANSFORMATIVE CLIMATE COMMUNITIES GRANT STATUS

Legislation Text

Attachment A - CAP Summary of GHG Reduction Measures

Resolution No. **2019-08-20-1104**

STOCKTON CITY COUNCIL

RESOLUTION APPROPRIATING FUNDS FOR A COMMUNITY CHOICE AGGREGATION FEASIBILITY STUDY

Following a presentation by staff from the Center for Climate Protection and staff from Valley Clean Energy, City Council approved motion 2019-03-19-1404, directing staff to complete an application for grant funds available from Sonoma Clean Power for a study to determine the feasibility of the City of Stockton developing a CCA program; and

The available grant is \$50,000 and requires a local match of \$10,000 from the City of Stockton to provide total funding of \$60,000; and

Acceptance of the grant funds commits the City to completing a feasibility study; and

Funding for the local match was not included in Motion 2019-03-19-1404; and

Based on a review of recent multiple feasibility studies, it appears that the cost is likely to exceed \$60,000 as the cost is closer to \$100,000; and

The City of Stockton has Air Quality Mitigation Public Facility Fee funds that can be used to complete a CCA feasibility study and appropriation of these funds will enable the completion of a CCA feasibility to proceed without delay; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

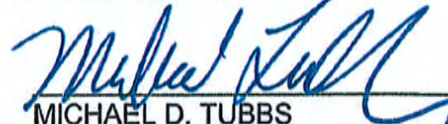
1) City Council authorizes the appropriation of \$100,000 of Air Quality Mitigation Public Facility Fee funds to determine the feasibility of the City of Stockton developing a Community Choice Aggregation program.

2) City Council authorizes the receipt and appropriation of any awarded grant funds for the purpose of completing a Community Choice Aggregation feasibility study including the transfer of matching funds as required by grant terms.

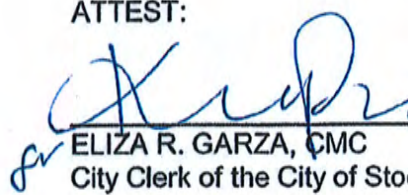
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3) City Council authorizes the City Manager to take all actions necessary and appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED August 20, 2019.


MICHAEL D. TUBBS
Mayor of the City of Stockton

ATTEST:


ELIZA R. GARZA, CMC
City Clerk of the City of Stockton





City of Stockton

Legislation Text

File #: 19-5791, Version: 1

RESOLUTION TO APPROPRIATE FUNDS FOR A COMMUNITY CHOICE AGGREGATION FEASIBILITY STUDY

RECOMMENDATION

Staff recommends that Council adopt a resolution to:

1. Appropriate \$100,000 of Air Quality Mitigation Public Facility Fee funds to determine the feasibility of the City of Stockton developing a Community Choice Aggregation program.
2. Authorize the receipt and appropriation of any awarded grant funds for the purpose of completing a Community Choice Aggregation feasibility study.

It is further recommended that the City Manager be authorized to take appropriate and necessary actions to carry out the purpose and intent of the resolution.

Summary

Adoption of the proposed resolution will enable the completion of a study to determine the feasibility of the City of Stockton developing a Community Choice Aggregation (CCA) program. Council approved Motion 2019-03-19-1404 directing staff to complete an application for funds available from Sonoma Clean Power for a study to determine the feasibility of the City of Stockton developing a CCA program. The available grant is \$50,000 and requires a local match of \$10,000 from the City of Stockton to provide total funding of \$60,000. Acceptance of the grant funds commits the City to completing a feasibility study. Funding for the local match was not included in Motion 2019-03-19-1404.

Staff recommends appropriating \$100,000 of Air Quality Mitigation Public Facility Fee funds to acquire consulting services to complete a CCA program feasibility study and make available additional expertise to determine the best course of action following completion of the study. The \$100,000 of local funds combined with the available grant of \$50,000 should provide sufficient resources for the higher than expected cost of the feasibility study and allow additional consulting services to determine the best course of action upon completion of the study. Staff recommends adoption of the proposed resolution.

DISCUSSION

Background

Staff from the Center for Climate Protection and staff from Valley Clean Energy presented information regarding CCA programs to Council on March 19, 2019. Following the presentation Council

File #: 19-5791, Version: 1

approved Motion 2019-03-19-1404 directing staff to complete an application for grant funds available from Sonoma Clean Power for a study to determine the feasibility of the City of Stockton developing a CCA program. The available grant is \$50,000 and requires a local match of \$10,000 from the City of Stockton to provide total funding of \$60,000. Acceptance of the grant funds commits the City to completing a feasibility study. Funding for the local match was not included in Motion 2019-03-19-1404.

Under state law (Chp. 838, Stats. 2002), customers are authorized to aggregate electrical loads with community choice aggregators. CCA, also known as municipal aggregation, are programs that allow local governments to procure power on behalf of residents, businesses, and municipal accounts from alternative suppliers while still receiving transmission and distribution service from the existing utility provider. Under state law, CCAs are an option for communities that want more local control over electricity sources, more green power than is offered by the default utility, and competitive electricity prices. By aggregating demand, communities gain leverage to negotiate rates with suppliers and choose power sources.

CCAs offer several advantages and challenges. Historically, three major attractions of participating in a CCA include lower electric rates, the potential for local control to accelerate the transition to sustainable power sources, and the opportunity to create local jobs in sustainable energy development. However, recent decisions by the California Public Utilities Commission (CPUC) affected the electricity rates offered by CCAs and decrease the likelihood that savings for rate payers can be achieved.

The National Renewable Energy Laboratory (Laboratory) completed a state-level geographic analysis that reveals the demand for green (sustainable) power is pervasive. Green power demand is higher in states such as Illinois, California, Texas, and Massachusetts where local green power options are available, but demand exists in every state and in both urban and rural areas. Demand for green power is likely to increase across the country as green power providers offer innovative new products and renewable energy prices continue to decline. California saw the largest jump in estimated green power sales year over year of any state where CCAs are available. The Laboratory estimates that the California CCA market is likely to continue to grow as other municipalities implement new programs.

Given these market dynamics, the CPUC held a hearing on CCAs with the California Energy Commission to understand the potential impacts of CCA expansion. The hearing focused on resource planning and cost allocation, among other topics. The CPUC has authority to allocate costs across ratepayers, both utility ratepayers and those ratepayers leaving utilities for a CCA. In 2018, the CPUC approved utility requests to recover investments originally made to serve the load of departing CCA customers via an exit fee. Previously, CCA rates were marginally lower than those of the utility for some customer classes. However, recent exit fee increases reduce the ability to achieve lower rates and could also increase the number of new customers that decide to opt out of CCAs and remain with their existing utility service according to the National Renewable Energy Laboratory. Considering these changes, CCAs will need to actively market benefits other than cost savings if rates reach or exceed utility rates to retain customers.

Consideration of participation in a CCA requires working through implementation issues. The City would need assistance navigating enabling state legislation and CCA regulations. Assistance would also be needed to develop and pass the appropriate local ordinances. In California, CCAs are usually

File #: 19-5791, Version: 1

administered under a Joint Powers Authority (JPA) on behalf of multiple jurisdictions. Formation of and participation in a JPA would incur upfront cost and could require additional resources. Beyond the policy and fiscal issues, significant effort would be required to educate consumers about the CCA benefits and address questions regarding implementation. Finally, it is unclear how the bankruptcy filing by the Pacific Gas and Electric Company, the City's current franchise electricity provider, may affect the City's participation in a CCA and exit fees.

Further analysis is warranted prior to committing to the significant work required to pursue implementation of a CCA program. A CCA program feasibility study is a necessary first step to evaluate whether there are cost effective options for the City of Stockton to implement a CCA program and obtain the community benefit. The merits of the motion adopted in March stand, and staff developed a plan to fund and implement Council direction.

Present Situation

Staff completed additional research to better estimate the cost of completing a CCA feasibility study and to identify funding for the required local match. Based on a review of multiple feasibility studies completed more recently than the study completed for Sonoma Clean Power it appears that the cost is likely to exceed \$60,000. The cost of CCA feasibility studies now appears to be closer to \$100,000. Based on discussions with Sonoma Clean Power staff there may be additional grant funds available for the study, however the timing of these funds must be researched.

The City of Stockton has Air Quality Mitigation Public Facility Fee funds that can be used to complete a CCA feasibility study. Because CCA programs are often used to acquire sustainable power that reduces Green-House-Gas (GHG) emissions the Air Quality Mitigation Funds can be used for this purpose. Appropriation of these funds will enable the completion of a CCA feasibility to proceed without delay. Should additional grant funds become available the City can reduce or reimburse the Air Quality Mitigation Public Facility Fee fund.

Staff recommends appropriating \$100,000 of Air Quality Mitigation Public Facility Fee funds to acquire consulting services to complete a CCA program feasibility study and make available additional expertise to determine the best course of action following completion of the study. The \$100,000 of local funds combined with the available grant of \$50,000 should provide sufficient resources for the higher than expected cost of the feasibility study and allow additional consulting services to determine the best course of action upon completion of the study. Staff recommends adoption of the proposed resolution.

FINANCIAL SUMMARY

Two budgetary actions are required to enable the completion of a CCA feasibility study and developing recommendations for Council regarding potential implementation of a CCA program in the City of Stockton.

Staff recommends that Council adopt a resolution to:

1. Appropriate \$100,000 from the Air Quality Mitigation Public Facility Fee 990 Fund available balance to determine the feasibility of the City of Stockton developing a Community Choice Aggregation program.

File #: 19-5791, Version: 1

2. Authorize the receipt and corresponding appropriation of any grant funds awarded for the purpose of completing a Community Choice Aggregation feasibility study. And authorize the use of the above Air Quality Mitigation Public Facility Fees funds if a grant match is required.