AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, MARCH 4, 2021
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 MARCH 4, 2021 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/99778414219**
- Telephone number: 1 (669) 900-9128
- Meeting ID: 997 7841 4219

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.

Staff recommendations are guidelines to the Board. On any item, the Board may take action which varies from that recommended by staff.

I. CALL TO ORDER

II. BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve February 4, 2021 Draft Board of Directors Meeting Minutes (Staff Recommendation: Approve) - pg. 5
2. Delegate Authority to the CEO to Execute Fourth Amendment to Contract with Sixth Dimension LLC to Increase the Not-to-Exceed Amount by $33,086 to $393,979 through April 1, 2021 for the Advanced Energy Center (Staff Recommendation: Approve) - pg. 13
3. Delegate Authority to the Chief Executive Officer to Execute the Second Amended Agreement for Professional Services with Sixth Dimension, LLC, to Increase the Not-to-Exceed Amount by $330,277 to $927,390 through August 31, 2021 for the SCP Headquarters Project (Staff Recommendation: Approve) - pg. 19
4. Delegate Authority to the CEO to Amend and Extend a Professional Services Agreement with TRC Engineers, Inc. for the Advanced Energy Build Program to Increase the Not-to-Exceed Contract by $31,500 to $2,848,000 and Extend the Term through December 31, 2022 (Staff Recommendation: Approve) - pg. 23
5. Approve an Extension of Customer Service Policy A.6a – 2020 COVID-19 Emergency Consumer Protection Policy (Staff Recommendation: Approve) - pg. 29

III. BOARD OF DIRECTORS REGULAR CALENDAR

6. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File) - pg. 37
7. Receive Legislative and Regulatory Updates, Approve Positions on AB 843 CCA Access to CPUC Bioenergy Funds, SB 612 Ratepayer Equity Act, HR 763 Carbon Fee and Dividend, and Provide Other Direction as Appropriate (Staff Recommendation: Receive and File) - pg. 53
8. Receive Update on Vacancy on the Community Advisory Committee, Appoint ad hoc Committee for Recruitment and Provide Other Direction as Appropriate (Staff Recommendation: Receive and File) - pg. 75
9. Receive Draft Programs Equity Framework and Provide Feedback and Direction as Appropriate (Staff Recommendation: Receive and File) -pg. 79

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.

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Sonoma Clean Power

DRAFT MEETING MINUTES
BOARD OF DIRECTORS MEETING
THURSDAY, FEBRUARY 4, 2021
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 FEBRUARY 4, 2021 MEETING BY TELECONFERENCE.

I. CALL TO ORDER

Chair Slayter called the meeting to order at approximately 8:50 a.m.

Board Members Present: Chair Slayter, Vice Chair Bagby, and Directors Elward, Fudge, Gjerde, Harrington, Hopkins, King, Landman, Rogers, and Strong

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

Chair Slayter asked new Director Elward to say a few words about herself and her interest in serving on the Board.

II. BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve January 7, 2021 Draft Board of Directors Meeting Minutes
2. Resolution Approving and Attesting to the Veracity of the 2019 Power Source Disclosure Annual Report for Sonoma Clean Power's CleanStart Product and EverGreen Product and EverGreen Product and Power Content Label

   Public Comment: None

   Motion to Approve the Consent Calendar by Director Landman.

   Second: Director Rogers.

   Motion Passed by Roll Call Vote:11-0-0

III. BOARD OF DIRECTORS REGULAR CALENDAR

3. Appointment of Chair and Vice Chair of the Board for One-Year Terms

Prior to taking nominations, Chair Slayter shared words of appreciation and highlights from his time as Chair of the Board for the previous year.

Motion to Appoint Vice Chair Bagby as Chair for a one-year term by Director Landman.

Second: Director Rogers

Public Comment: None

Motion Passed by Roll Call Vote: 11-0-0

Director Slayter passed Chair duties over to Chair Bagby for the remainder of the meeting; Chair Bagby opened up the nominations for Vice Chair.

Motion to Appoint Director King as Vice Chair for a one-year term by Director Fudge.

Second: Director Slayter

Public Comment: None

Motion Passed by Roll Call Vote: 11-0-0

Chair Bagby offered gratitude to former-Chair Slayter, stated her intent to follow his example as Chair, and that she looks forward to working with Vice Chair King and SCP staff going forward.

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

Director of Internal Operations Stephanie Reynolds congratulated the newly appointed Chair and Vice Chair; she continued by introducing SCP's newest staff member, Hannah Rennie, who is working with the Procurement Team as an Energy Market Associate. Director Reynolds called attention to an item in the report about the Electric Bike Program, which will provide incentive for up to 200 electric bicycles to low-income customers. Senior Programs Manager Rachel Kuykendall gave details on the GridSavvy Community program and asked for Board members to share the program with their networks to solicit partners for this program.

Director Reynolds continued with an update on the Advanced Energy Center construction, upcoming educational webinars, and the monthly financial statements. COO Koszalka provided background on the budget for new Board members.

CEO Geof Syphers gave an update about SCP's banking institutions stating that comments from the last meeting were helpful and staff have begun making changes and will separately bring an investment proposal to the Board in a future meeting.

Director Slayter asked Senior Programs Manager Kuykendall how much an average GridSavvy participant saves in GHG reductions; she responded that she could bring that information back for a future board meeting.

Public Comment: None

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

   Director of Regulatory Affairs Neal Reardon began the report with an update on microgrids and that the CPUC is actively engaged on this topic for the purpose of resiliency during PSPS events.

   CEO Geof Syphers opened the legislative portion of the report by stating there are several bills SCP is analyzing and will have positions on at the next Board meeting. He also gave an introduction to a bill that SCP and CalCCA is working on directed at PG&E and other investor-owned utilities regarding legacy contracts. Once language for the bill is available, he will distribute to Board members and publish it on SCP's website. On a national level, the Biden Administration has been making changes that align with SCP's mission and values, including moving to electrify the US Postal Service vehicle fleet.

   Public Comment:

   Mark Mortensen, an EverGreen Customer from Santa Rosa, noted his appreciation for SCP's legislative work and gave additional background on the concept of "green" hydrogen.

   Woody Hastings with the Climate Center welcomed Director Elward and new Chair Bagby, and thanked Director Slayter for his work as Chair; he then asked if SCP could speak to SB 204 which is about Community Choice Agencies.

   CEO Syphers replied that he is not yet briefed on SB 204. Chair Bagby requested SB 204 be added to the legislative report for the next meeting.

6. Receive Staff Summary on Power Charge Indifference Adjustment and Provide Direction as Appropriate

   Director of Regulatory Affairs Neal Reardon gave an overview of the Power Charge Indifference Adjustment ("PCIA") fee for the benefit of new Directors; he detailed how the PCIA is meant to recover PG&E's net, unavoidable costs for long-term contracts they signed on behalf of customers who later left PG&E service and became SCP customers.

   Director Rogers suggested that staff let Board members know what they can do to help advocate for finding an equitable resolution to this problem; Director Strong expressed gratitude for staff because the PCIA is very complicated as a consumer and repeated Director Rogers' suggestion that staff advise members on how they can lobby for a more equitable system.

   Vice Chair King echoed support for trying to figure out a legislative solution and putting an end date on the PCIA.

   Public Comment:

   John Rosenblum commented that the PCIA is a small portion of the total bill the customer pays.

Woody Hastings from the Climate Center commented on the idea of "provider of last resort" that PG&E has previously claimed in filings.

Tom Conlon asked how this period of peak PCIA pricing might affect SCP operations and opt-outs.

Chair Bagby called a recess at 10:25 a.m.; meeting reconvened at 10:30 am.

7. Receive Programs Strategic Action Plan and Provide Direction as Appropriate

Director of Programs Cordel Stillman gave a high-level overview of the Strategic Action Plan which is updated twice each year.

Public Comment:

Ben Peters commented on the school and municipal storage studies as they pertain to equity as well as rate structure.

Jenny Blaker, Cotati resident and EverGreen customer, commented about a letter she sent to the Board of Directors about biomass concerns on behalf of 10 organizations and 90 individuals.

John Rosenblum echoed Ben Peters' comment about the school storage studies in addition to the usage of Power Purchase Agreements.

Mark Mortensen, member of Friends of the Climate Action Plan, but speaking as an EverGreen customer, commented on several program strategies, and expressed concern for resilience during PSPS events.

Maya Khosla, wildlife biologist and writer, thanked the Board for highlighting so many programs, echoed Mark Mortensen's concern about resiliency, and added to the concerns about forest biomass.

Woody Hastings with the Climate Center stated he is glad to learn about the Equity Framework and continued with additional concerns about forest biomass.

Andy Ferguson spoke on heat pump water heaters and that he expressed difficulty in finding information about SCP's webinars on the website.

Kimberly Burr from Forestville stated that she thinks including biomass energy from the forests as part of the portfolio is problematic.

Larry Hanson, representing Forest Unlimited, added to the concerns surrounding forest biomass energy.

The Clerk of the Board then read the following written comment into the record:

Thank you for your thoughtful discussion of our concerns on forest biomass burning, and for all your work on providing options for Sonoma County energy. We are proud and pleased to promote the Evergreen program to the ruble. We appreciate and support the need for research into the complex problems of forest management and reduction of wildfires. Supervisor Hopkins referred to regenerative practices by chipping and returning the *wood to the land. Yes, these are practices that are very worth considering. This takes the woody "waste" out of the energy designation. This is where we need to keep our understanding of wood bio waste. We need not to consider it as fuel to burn. Once again, Thank you for your very important work, Christine Hoex for 350 Sonoma*

Director Hopkins addressed comments on biomass by stating she views this as a first step, an investigation, and not a decision; she expressed her goals for forest stewardship. Director Gjerde agreed with Director Hopkins in that more information is needed and the Board has a responsibility to investigate all options. Director Fudge also expressed interest in receiving more information and wants to make sure that this process is transparent. Vice Chair King said he understood from the report that this is informational and not intended for decision at this time; he recommended to shelve biomass for 2021 portfolio until more information is available. Director Landman stated he is open to more information but at this stage has concerns about forest biomass as well; he also would like to see biomass tabled for the 2021 portfolio. Director Hopkins encouraged the environmental community and others to really consider what the alternatives could be and encourages productive discussions on the topic.

Chair Bagby commented that this is a critical time for this discussion and does not want to table this discussion; she supports more education and information on the topic.

8. Discuss EverGreen Local Resource Public Workshop #2 and Provide Direction as Appropriate

   Director of Planning & Analytics Rebecca Simonson provided an overview of the second public workshop on the EverGreen Local Resource Plan. The Local Resource Plan is expected to be completed by May. Since the packet was published, SCP received approximately 70 additional comments however many of those respondents answered that they did not attend the webinars or watch the recordings. She stated that SCP currently has no plans to build any kind of biomass plant.

   Director Hopkins left the meeting at approximately 11:28 a.m.

   Vice Chair King noted that Petaluma City Council will be considering joining EverGreen at their February 22 meeting. He also commented that he would like SCP to look at offshore wind for the EverGreen portfolio and would like to monitor the concept of renewable hydrogen.

   Director Landman agreed with Vice Chair King and noted the importance of geothermal as a portion of the portfolio to make it steady, dependable, and available 24 hours a day.

   CEO Syphers encouraged the Board to consider how to reach the public to better grow EverGreen now that the member cities and towns are upgrading to EverGreen.

Director Harrington stated that City of Sonoma has a Community Services and Environment Commission that works on signing people up for EverGreen as an annual goal with measurable outcomes.

Public Comment:

Jenny Blaker commented that the environmental community would like to work with SCP and Directors to find solutions to the concern of biomass. She reiterated her concerns about biomass as part of the portfolio.

Larry Hanson, as representing Forests Unlimited, is open to the investigation and offered to help provide sources for the investigation and agreed with Director Hopkins' comment about healthy forests as opposed to the unhealthy forests we have now.

Woody Hastings stated that while he remains skeptical of using woody biomass, is open to CEO Syphers' concept of establishing a set of principles.

Ben Peters echoed Vice Chair King's comment about investigating offshore wind as well as Director Landman's comment about geothermal resources. He continued with a comment about energy storage and biomass.

Director Harrington left the meeting at approximately 11:52 a.m.

John Rosenblum commented that the public comment process for the local resource plan has been very open and does not find that to be the case for the municipal and school storage studies. He continued with concerns about efficiency and backup generation for resource adequacy. He then discussed the topic of tax credits.

Tom Conlon congratulated staff and the Board on doubling EverGreen's load. He reiterated concerns about biomass as part of the EverGreen portfolio and stated there is no baseline carbon stock inventory for Sonoma County.

Maya Khosla agreed with the idea of bringing knowledgeable individuals to provide information about biomass and encourages SCP to seek input from well recognized ecologists as well.

Mark Mortensen reiterated concerns about forest biomass.

The following written comments were read as part of the meeting record:

1) *Hi Beau,*
I need to leave to watch the on-bill financing webinar, but here are my thoughts regarding CEO Sypher's question about how do we get more people to subscribe to EverGreen.
I mentioned at a previous meeting, and think it's still a valid comment, that a potential solution that checks the EverGreen promotion box and equity goals is to enroll at CARE/FERA customers in the EverGreen program. I'm not sure how much of your load-base this represents, but switching those customers over, who are already receiving a subsidy, will help ensure that not just

customers with the means to pay a premium for clean energy can also be a part of the clean energy future.
Thank you!
Patrick Carter

2) My concern – also relevant to the biomass issue – is that the evaluation passed very quickly to grant applications for specific projects without public review or discussion. By comparison, the Evergreen/local renewables program is exemplary in its public outreach.
John Rosenblum, PhD
Rosenblum Environmental Engineering

Chair Bagby commented in response to these concerns that there is no action item on the agenda to make a decision about the use of forest biomass.

Director Fudge left the meeting at approximately 12:04 p.m.

IV. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

Ben Peters expressed appreciation that Chair Bagby has been elevated to Chair and her previous support for investigating diversifying revenue streams.

V. BOARD MEMBER ANNOUNCEMENTS

None

VI. ADJOURN

Chair Bagby adjourned the meeting at approximately 12:12 p.m.

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Staff Report – Item 02

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

From: **Chad Asay, Programs Manager**

Issue: **Delegate Authority to the CEO to Execute Fourth Amendment to Contract with Sixth Dimension LLC to Increase the Not-to-Exceed by $33,086 to $393,979 through April 1, 2021 for the Advanced Energy Center**

Date: **March 4, 2021**

Requested Board Action:

Staff requests that the SCP Board of Directors ("Board") Delegate Authority to the Chief Executive Officer ("CEO") to execute a fourth amendment to the contract with Sixth Dimension LLC to add $33,086 to the not-to-exceed amount over the term to include additional constructional management services due to the buildings electrical panel replacement, permitting delays, the general contractors performance, and additional lead time needed for materials that extended schedules of construction at the Advanced Energy Center.

Background:

SCP's initial contract with Sixth Dimension was approved by the Board on March 7, 2019 for construction management services to complete remodel of the leased, vacant space into a new marketplace and demonstration space. The initial term of the contract was through January 31, 2020.

A first amendment to the Sixth Dimension LLC contract to expand services to include specialty materials testing, industrial hygienist services, CALGreen inspection services and Commissioning Services that extended the term to June 30, 2020 and increased the not-to-exceed amount to $253,584.

A second amendment to the Sixth Dimension LLC contract to increase the not-to-exceed to $360,893 and extend the term to December 31,2020 to include additional constructional management services due to bid protests, permitting delays, the general contractor's performance that extended construction.

A third amendment to the Sixth Dimension LLC contract to extend the term to April 1, 2021 was made due to COVID, fires, and the electrical panel replacement that led to additional constructional management services past 2020.

Discussion:

This is the fourth amendment to the Sixth Dimension LLC contract to expand the scope to include additional constructional management services due to the delays, testing, and commissioning needed for the electrical panel replacement. The fourth amendment would increase the not-to-exceed amount under the contract by thirty-three thousand and eighty-six dollars ($33,086), which increases the not-to-exceed amount under the Agreement to three hundred ninety-three thousand nine hundred seventy-nine dollars ($393,979).

Sixth Dimension spent additional time coordinating construction services preparing engineers, city officials and PG&E for work to replace the buildings main electrical panel. While the contractor and team are working to improve the schedule, the additional scope is required to complete the administration of the project.

Fiscal Impact:

In FY 19/20 SCP budgeted $4.2M dedicated to CEC grant administration, labor and tenant improvements. Additionally, there are $509K in grant funds dedicated to the AEC tenant improvements. SCP will dedicate the full $509,000 in grant funds to the AEC construction project and then makeup for the difference with SCP funds. Even with the additional funds allocated to this contract, no budget adjustment will be needed for this amendment.

Community Advisory Committee Review:

The Community Advisory Committee unanimously recommended Board approval of this item at their February 18, 2021 meeting.

Attachments:

- Fourth Amendment to the Professional Services Agreement for the Sonoma Clean Power Authority with Sixth Dimension LLC for the Sonoma Clean Power Authority Energy Marketplace

Related Items "On File" with the Clerk of the Board:

- First Amendment to the Professional Services Agreement for the Sonoma Clean Power Authority with Sixth Dimension LLC for the Sonoma Clean Power Authority Energy Marketplace
- Second Amendment to the Professional Services Agreement for the Sonoma Clean Power Authority with Sixth Dimension LLC for the Sonoma Clean Power Authority Energy Marketplace
- Third Amendment to the Professional Services Agreement for the Sonoma Clean Power Authority with Sixth Dimension LLC for the Sonoma Clean Power Authority Energy Marketplace

FOURTH AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE SONOMA CLEAN POWER AUTHORITY AND SIXTH DIMENSION, LLC – ADVANCED ENERGY CENTER

This Fourth Amendment ("Fourth Amendment") to the Agreement for Professional Services (the "Agreement") is entered into between the Sonoma Clean Power Authority ("SCPA"), a California Joint Powers Authority, and Sixth Dimension, LLC, a California limited liability company ("Consultant") as of March 4, 2021 ("Fourth Amendment Effective Date"). SCPA and Consultant are, at times individually referred to herein as "Party" and collectively as "Parties".

WHEREAS, the Parties entered into the Agreement dated March 7, 2019 for Consultant to provide construction management services during the construction of SCPA's Advanced Energy Center Project; and

WHEREAS, the Parties subsequently updated and revised the Original Agreement, entering into a First Amendment to the Agreement (the "First Amendment") dated November 14, 2019, in order to extend the Term of the Agreement to June 30, 2020 and increase the not-to-exceed amount of two hundred and fifty three thousand, five hundred and eighty four dollars ($253,584) to (a) expand and revise the Services provided by Consultant to include specialty materials testing, industrial hygienist services, Cal Green inspection services and Commissioning Services as Additional Services, (b) update Consultant's list of subconsultants under the Agreement; and

WHEREAS, the parties subsequently updated and revised the First Amendment, entering into a Second Amendment to the Agreement (the "Second Amendment") dated June 4, 2020, in order to increase the total not-to-exceed amount by one hundred seven thousand and three hundred and nine dollars ($107,309), which increases the not-to-exceed amount under the Agreement from two hundred and fifty three thousand, five hundred and eighty four dollars ($253,584)to three hundred sixty thousand and eight hundred and ninety three dollars ($360,893); and to extend the term of the Agreement to December 31, 2020 to include additional constructional management services due to the permitting delays, a bid protest, the general contractors performance, and additional lead time needed for materials that extended schedules from 12 weeks of construction to an estimated 33 weeks; and

WHEREAS, the parties subsequently updated and revised the Second Amendment, entering into a Third Amendment to the Agreement (the "Third Amendment") dated December 18, 2020, in order to extend the term of the Agreement from December 31, 2020 to April 1, 2021 to include additional constructional management services due to additional lead time needed for materials that extended schedules from the main building's switchgear replacement project; and

WHEREAS SCPA now also desires to increase the total not-to-exceed amount by thirty-three thousand and eighty-six dollars ($33,086), which increases the not-to-exceed amount under the Agreement from three hundred sixty thousand and eight hundred and ninety-three dollars ($360,893) to three hundred ninety-three thousand and nine hundred and seventy-nine dollars ($393,979), to include additional constructional management services due to delays, testing, and commissioning needed for the electrical panel replacement ; and

WHEREAS, in accordance with section 27 all changes to the Agreement must be in writing and signed by all Parties.

NOW, THEREFORE, the Parties agree as follows:

1. Section 4 (Not to Exceed Amount) of the Agreement is hereby superseded and replaced as follows:

4. NOT TO EXCEED AMOUNT. IN NO EVENT SHALL THE AMOUNT PAYABLE FOR SERVICES PERFORMED DURING THE TERM OF THIS AGREEMENT EXCEED three hundred ninety-three thousand and nine hundred and seventy-nine dollars ($393,979). This dollar amount is not a guarantee that SCPA will pay that full amount to Consultant, but is merely a limit of potential SCPA expenditures under the Agreement.

2. Except as set forth above, all terms and conditions of the Agreement remain in full force and effect.

By signing below, the signatories warrant that each has authority to execute this Fourth Amendment on behalf of their respective Parties, and that this Agreement is effective as of the Fourth Amendment Effective Date.

SONOMA CLEAN POWER AUTHORITY

BY: ______________________________
Geof Syphers
Chief Executive Officer

DATE: ______________________________

APPROVED AS TO FORM

BY: ______________________________
General Counsel

DATE: ______________________________

SIXTH DIMENSION, LLC

BY: ______________________________

TITLE: ______________________________

DATE: ______________________________

SixthDimension

Sonoma Clean Power Authrority
Headquarters - 431 E Street & M

4. FEE PROPOSAL -

Project Name	2019 Total Through 2019	2020 Rate	J	F	M	A	M	J	J	A	S	O	N	D	Total Hours	Total	2021 Rate	J	F	M	A	M	J	J	A	S	O	N	D	Total Hours	Total	Total Project
HEADQUARTERS BUILDINGS																																
ADVANCED ENERGY CENTER																																
Design																																
Construction			Construction						Close-out																							
Principal in Charge	$ -	0															$0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
Project Director	$ -	$ 232															$239	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
Construction Manager	$ -	$ 180															$185	32	48	32	0	0	0	0	0	0	0	0	0	112	$ 20,720	$ 20,720
Project Engineer	$ -	$ 124															$0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
Constructability Review	$ -	$ 175															$0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
Subconsultants[1]																																
Estimating Support	$ -	$ 175															$0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
MEP Constructability Review	$ -	$ -															$0	0	0	0	0	0	0	0	0	0	0	0	0	0	$ -	$ -
Industrial Hygienist Services																															$ -	$ -
Commissioning																															$ 7,669	$ 7,669
Cal Green																															$ 324	$ 324
Consolidated Testing																															$ 2,889	$ 2,889
Contingency																															$ 1,088	$ 1,088
																																$ -
Reimbursables																																
Collaboration Software																																
Outreach - Social Media Content																																
General Reimbursables																																
Sub Markup																															$599	$ 599
TOTAL	**222,765**																														**$ 33,289**	**$ 256,054**
CUMULATIVE TOTAL	**222,765**															**$ 360,636**																**$ 393,925**
Current Contract Amount																																**$ 360,839**
Contract Vanirance																																**$ (33,086)**

* - average composite rate.

1 - Subconsultant fees include 5% markup with the exception of Industrial Hygienist. Industrial Hygienist fees have been marked up 10% due to the additional liablilty of the Work. Reimbursable expenses include a markup of 5%.

2 - Allowance. Proposal will be provided following initial survey of HAZMAT

Sonoma Clean Power

Staff Report – Item 03

To: Sonoma Clean Power Authority Board of Directors

From: Cordel Stillman, Director of Programs

Issue: Delegate Authority to the Chief Executive Officer to execute the Second Amended Agreement for Professional Services with Sixth Dimension, LLC, to Increase the Not-to-Exceed Amount by $330,277 to a total of $927,390 through August 31, 2021 for the SCP Headquarters Project

Date: March 4, 2021

Recommendation:

Delegate authority to the Chief Executive Officer to execute the Second Amended Agreement for Professional Services with Sixth Dimension, LLC, increasing the not-to-exceed amount by $330,277.

Background:

On December 6, 2018, Sonoma Clean Power Authority (SCPA) executed a professional services agreement with Sixth Dimension, LLC to provide construction management services for the Headquarters Project. These services included assistance during the design phase as well as monitoring the construction of the building. On November 14, 2019 SCPA executed the First Amendment to this agreement. The First Amendment extended the term of the agreement to March 31, 2021, added the services of a commissioning agent, an industrial hygienist, a materials testing lab and a CALGreen certification agent. These necessary services were not included in Sixth Dimensions original contract proposal. The First Amendment also increased the cost of the contract by $49,630 for a new not to exceed amount of $597,113.

Discussion:

The Second Amended Agreement being considered in this item is the result of several delays to the project as well as additional work that has been added. Delay in the initial award of the contract, delays due to COVID 19 restrictions, and delays encountered during the construction itself have pushed out the completion of construction significantly. Construction was anticipated to be complete in January 2021 and is now projected to be complete in July 2021. In addition, investigation of on-site conditions has necessitated adding sub-consultants to Sixth Dimension's team to address geo-technical and tree issues. Finally, the complexity of commissioning the micro-grid was not accounted for in the agreement.

This Second Amended Agreement increases the contract amount by $330,277, revising the not to exceed amount to $927,390 as well as extending the contact till August 31, 2021. Additional sub-contractor work accounts for $36,355 of this increase, while the remainder is for Sixth Dimension's management of on-site construction activities.

Sixth Dimension has been managing construction activities at both the Headquarters Project and the Advanced Energy Center and to date we have been able to split the cost of their on-site personnel between the two projects. With the imminent completion of the Advanced Energy Center, the full cost of on-site personnel will be borne by the Headquarters Project.

Staff are requesting that the Committee recommend to the Board that the Chief Executive Officer be given authority to execute the Second Amended Agreement with Sixth Dimension, LLC.

Fiscal Impact:

This contract amendment increases the total construction cost for the headquarters by $330,277 above the original project budget, and this increase will be reflected in an Authority-wide budget adjustment in the near future. Costs that carry over into the next fiscal year will be budgeted appropriately.

Community Advisory Committee Review:

The Community Advisory Committee recommended that the Board of Directors delegate the requested authority to the CEO by a unanimous vote on the Consent Calendar.

Attachments:

Second Amended Agreement for Professional Services Between Sonoma Clean Power Authority and Sixth Dimension, LLC – SCP Headquarters Project

The attachment for this item can be accessed through this link or by request from the Clerk of the Board.

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Staff Report – Item 04

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

From: **Scott Salyer, Programs Manager**

Issue: **Delegate Authority to the CEO to Amend and Extend a Professional Services Agreement with TRC Engineers, Inc. for the Advanced Energy Build Program to Increase the Not-to-Exceed Contract by $31,500 to $2,848,000 and Extend the Term through December 31, 2022**

Date: **March 4, 2021**

Recommendation:

Delegate authority to the Chief Executive Officer or his designee to amend and extend a Professional Services Agreement ("PSA") with TRC Engineers, Inc. ("TRC") to increase the not-to-exceed amount for the Advanced Energy Build program by $31,500 and extend the term to December 31, 2022, with the attached Second Amendment to the agreement.

Background:

In November 2019, staff recommended that unspent funds from the Advanced Energy Rebuild program be reallocated to the Advanced Energy Build (AEB) program, an effort to encourage all-electric and resilient new construction in SCP's service territory. At that time, the Community Advisory Committee and Board of Directors approved a program that could serve up to 500 homes.

The approved aggregate not-to-exceed amount for the 500-home Program is currently $2,816,500, inclusive of $2,250,000 in incentives and $566,500 for third-party program management.

Since that time, staff added increased incentives for all-electric low-income single family and multifamily (MF) developments, without the need to increase the overall program budget. This includes $5,000 per low-income single-family home, $2,500 per qualifying multifamily unit, and up to $25,000 for MF battery resilience. To date, 170 units of housing have applied for the program, with the vast majority being low-income multifamily projects.

Discussion:

A one-year contract was entered into with TRC to gauge local market interest in Advanced Energy Build, with the initial contract period ending on March 31, 2021. To facilitate the completion of existing projects and the enrollment of new projects, staff now requests that the Board of Directors delegate authority to Sonoma Clean Power's Chief Executive Officer or his designee to amend and extend a Professional Services Agreement ("PSA") with TRC Engineers, Inc. to implement the Advanced Energy Build program with the attached Second Amendment to the Agreement, which includes an additional $31,500 in program administration costs and increases the total not-to-exceed amount to $2,848,000.

Fiscal Impact:

Staff is requesting an additional $31,500 and to extend the contract with TRC Engineers, Inc. through December 31, 2022. No budget adjustment will be needed for the current FY.

Community Advisory Committee Review:

The Community Advisory Committee unanimously recommended this item for the Board of Directors' approval.

Attachments:

- Second Amendment to the Advanced Energy Build Implementation Agreement between Sonoma Clean Power and TRC Engineers, Inc.

SECOND AMENDMENT TO THE ADVANCED ENERGY BUILD IMPLEMENTATION AGREEMENT BETWEEN SONOMA CLEAN POWER AUTHORITY AND TRC ENGINEERS, INC.

This Second Amendment ("Second Amendment") to the Advanced Energy Build (AEB) Implementation Agreement ("Agreement") was entered into between the Sonoma Clean Power Authority ("SCPA"), a California Joint Powers Authority, and TRC Engineers, Inc. ("Consultant"), a California corporation, as of March 1, 2021 ("Effective Date"). SCPA and Consultant are, at times individually referred to herein as "Party" and collectively as "Parties".

WHEREAS, the Parties entered into the Agreement dated April 22, 2020, for Consultant to provide contracted services for select Sonoma Clean Power Authority customers; and

WHEREAS the parties entered into the First Amendment with the Effective Date of August 1, 2020 for the purpose of increasing Section 4 (Not to Exceed Amount) from $1,200,400 to $2,816,500;

NOW, THEREFORE, the Parties agree as follows:

1. Section 4 (Not to Exceed Amount) of the Agreement is hereby superseded and replaced as follows:

> "4. **NOT TO EXCEED AMOUNT.** IN NO EVENT SHALL THE AMOUNT PAYABLE FOR SERVICES PERFORMED DURING THE TERM OF THIS AGREEMENT EXCEED $2,848,000 DOLLARS. This dollar amount is not a guarantee that SCPA will pay that full amount to Consultant, but is merely a limit of potential SCPA expenditures under the Agreement. This not to exceed amount is inclusive of $598,000 in administrative costs and $2,250,000 in incentives as described in Section 31."

2. Section 5 (Term of the Agreement) of the Agreement is hereby superseded and replaced as follows:

Term of the Agreement: The initial term of this Agreement shall be from the Effective Date to December 31, 2022, unless terminated pursuant to Section 6 or amended by a written, executed amendment to the Agreement. Consultant understands and agrees that funding for costs under this Agreement after June 30, 2021 is subject to approval by SCPA's Board of Directors of a budget including such funding, and that

SCPA may terminate this Agreement pursuant to Section 6 below if such funding is not approved.

3. Exhibit B (Fee Schedule) of the Agreement is hereby superseded and replaced as follows:

Job Classification	2020 Rate	2021 Rate	2022 Rate	TRC Personnel
Vice President	$265	$273	$281	Catherine Chappell, Julieann Summerford, Carl Teter
Associate Vice President	$255	$263	$271	Abhijeet Pande
Senior Program Manager	$233	$240	$247	Sophia Hartkopf
Program Manager	$191	$197	$203	Matthew Christie, Elizabeth McCollum, Nic Dunfee
Senior Project Manager	$170	$175	$180	Melissa Buckley
Project Manager	$164	$169	$174	Nicole Allen, Rob Geltner, Connie Malone-Jones, Ritesh Nayyar, Mayra Vega
Associate Project Manager II	$138	$142	$146	Parul Gulati
Associate Project Manager I	$127	$131	$135	Yamini Arab, Matthew Flores, Paige Wenzel, Kristen Bellows
Project Associate II	$117	$121	$124	Lorenzo Pagano
Project Associate I	$101	$104	$107	Allison Wittwer, Yolanda Beesemyer, Maura Cardenas, Brandon Faris, Sean Jones, Mariah Wills, Shari Mullen
Project Assistant II	$95	$98	$101	Anna Grimes
Project Assistant I	$85	$88	$90	Jude LaCoste , Colleen Santistevan, Connor Shields, Wendy Young

4. Except as set forth above, all terms and conditions of the Agreement remain in full force and effect.

By signing below, the signatories warrant that each has the authority to execute this Second Amendment on behalf of their respective Parties, and that this Second Amendment is effective as of the Second Amendment Effective Date.

SONOMA CLEAN POWER AUTHORITY

____
By: Michael Koszalka, COO

Date_______________

CONSULTANT

____

By: ______________________________

Date_______________

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Sonoma Clean Power

Staff Report – Item 05

To: Sonoma Clean Power Authority Board of Directors

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

Issue: Approve an Extension of Customer Service Policy A.6a – 2020 COVID-19 Emergency Consumer Protection Policy

Date: March 4, 2021

Requested Action:

Approve an extension of Customer Service Policy A.6a – 2020 COVID-19 Emergency Consumer Protection Policy until June 30, 2021 to match the expiration of PG&E's Emergency Consumer Plan.

Background:

On March 16, 2020 Governor Newsom issued an Executive Order requesting the California Public Utilities Commission (CPUC) to monitor the consumer protections offered by the utilities in response to COVID-19. The CPUC issued a letter to the investor owned utilities, including PG&E, on March 17, 2020 explaining that although COVID-19 has not resulted in the same disruptions or degradations to utility service as the recent wildfires, the utilities should immediately extend applicable protections provided for customers in natural disasters, such as wildfires, to the COVID-19 pandemic. See CPUC Decision 19-07-015. Among other protections, it halted all disconnections for non-payment.

Based on Governor Newsom's Executive Order on March 16th, SCP staff implemented its internal "COVID-19 Emergency Consumer Protection Policy I.13" for its Residential and Non-Residential Customers.

On October 1, 2020, the Board of Directors ratified Customer Service Policy A.6a - 2020 COVID-19 Emergency Consumer Protection Policy. This policy went into effect the day a state of emergency proclamation has been issued by the California Governor Newsom's Office until December 31, 2020.

On December 3, 2020, the Board of Directors extended the protections under Customer Service Policy A.6a - 2020 COVID-19 Emergency Consumer Protection Policy until March 3, 2021 to match PG&E's Emergency Consumer Protection Plan.

On February 11, 2021, the Commission unanimously voted to extend protections for all utilities it regulates until June 30, 2021.

Discussion:

<u>Order Instituting Rulemaking (OIR) to Address Energy Utility Customer Bill Debt</u>

- On February 11, 2021, the Commission opened an OIR to consider the necessity of establishing special relief mechanism(s) for customers who could not pay their energy bills during the COVID-19 pandemic to give them a better chance of becoming current on their energy bills.
- The moratorium on utility service disconnections preserves customer access to essential utility service during the pandemic, a time when disconnecting customers for non-payment would be unconscionable. Yet the pandemic has persisted and increases in unpaid customer bills may also impact the financial health of the very utilities that must continue to provide the essential services.
- Despite the efforts to moderate customer energy use and bills during the pandemic, arrearages for residential customers have increased substantially. See table below.

Increases in Residential Arrears by Utility and Customer Class,
February-December 2020

Investor Owned Utility	PG&E	SCE	SDG&E	SoCalGas	Total
Non-CARE/FERA	$123,407,137	$137,569,182	$37,505,532	$28,730,414	$327,212,265
CARE/FERA	$151,237,389	$107,551,068	$36,048,779	$29,178,390	$324,015,626
Total	**$274,644,526**	**$245,120,251**	**$73,554,311**	**$57,908,500**	**$651,227,588**

Investor Owned Utility	PG&E	SCE	SDG&E	SoCalGas	Total
Per Customer (Non-CARE/FERA)	$32.85	$32.07	$32.97	$7.82	24.71
Per Customer (CARE/FERA)	$89.92	$198.72	$96.49	$14.26	78.37
Per Customer (Total)	**$49.88**	**$53.44**	**$48.65**	**$10.17**	**37.69**

- The OIR provides two straw proposals to get the conversation started on arrearage relief for customers.
- SCPA will be following and participating in the OIR in two ways:
  - Working with PG&E to provide feedback on their response to the OIR for arrearage relief, to ensure bundled and unbundled customers are equitably protected.
  - Working with CalCCA to create a response to the OIR with other CCAs.

<u>Bad Debt Allowance and Aging</u>

- For the previous fiscal year, SCPA used a 0.70% allowance for bad debt compared to revenues, when SCPA completed its annual financial write-off, the 0.70% was accurate. For this fiscal year, SCPA increased its allowance for bad debt to 1.25% due to the global pandemic.
- SCPA has not transferred a customer from SCP service to PG&E service for non-payment since mid-March 2020.
  - Between January 1, 2020 and February 15, 2021, SCPA's accounts receivable of:
    - 60 - 90 days has increased from $870 thousand to $1.297 million.
    - 90 - 120 days has increased from $569 thousand to $1.278 million.
    - 120+ days has increased from $6.374 million to $10.350 million.
  - These are peaks in SCPA's history.

<u>Considerations:</u>

- By extending payment protections for SCPA customers, it is expected SCPA's accounts receivable will continue to grow, especially when considering the high customer bills from the winter and holidays.

- Not matching PG&E's consumer protections until June 30 2021 could open SCPA to criticism from its customers, the media, the governor's office, and the Commission.
- Anecdotally, people generally eventually pay their electric bill.
  - Additional stimulus money or an extension of unemployment bonuses could help customers' payoff their balances sooner.

Fiscal Impact:

Unknown. By extending payment protections to customers, the risk of not recovering payments increases, however without knowing what the Commission is going to do in June 30, 2021, staff believes continuing protections is the prudent decision.

Community Advisory Committee:

Due to the timing of the Community Advisory Committee meeting and the Commission's vote the Community Advisory was alerted of extension by Commission but did not vote on the item. Previously in November, the Community Advisory Committee unanimously recommended extension of consumer protections to match PG&E's until March 2021.

Attachments:

- Redline version of Customer Service Policy A.6a

Customer Service Policy A.6a
2020 Covid-19 Emergency Consumer Protection Policy

Purpose:

On March 16, 2020 Governor Newsom issued an Executive Order requesting the California Public Utilities Commission (CPUC) to monitor the consumer protections offered by the utilities in response to COVID-19. The CPUC issued a letter to the investor owned utilities, including PG&E, on March 17, 2020 explaining that although COVID-19 has not resulted in the same disruptions or degradations to utility service as the recent wildfires, the utilities should immediately extend applicable protections provided for customers in natural disasters, such as wildfires, to the COVID-19 pandemic. See CPUC Decision 19-07-015.

Based on Governor Newsom's Executive Order on March 16th, SCPA implemented its internal "COVID-19 Emergency Consumer Protection Policy I.13" for its Residential and Non-Residential Customers experiencing financial hardship due to the COVID-19 pandemic. This Policy is consistent with and continues the policies set forth in Policy I.13.

On February 11, 2021, the CPUC voted to extend consumer protections for all utilities (that they regulate) until June 30, 2021.

Definitions:

For purposes of this Policy, the following definitions apply:

a) **Residential Customer**[1]: Class of customers whose dwellings are single-family units, multi-family units, mobile homes or other similar living establishments. A customer who meets the definition of a Residential Customer will be served under a residential rate schedule if 50% or more of the annual energy use on the meter is for residential end-uses. PG&E's tariff eligibility requirements will determine customer eligibility for this rate class.
b) **Non-Residential Customer**[2]: Small and medium business customers that take service on a commercial, industrial, or agricultural rate. This definition does not include Non-Residential Customers who are on a fixed usage or unmetered usage rate schedule[3].
c) **SCPA Service Area:** As defined by SCPA's Joint Powers Agreement[4].
d) **Impacted Customers**: Customers that are in located in the area designated by California Governor's Office or the President of the United States as a state of emergency.

Background:

[1] PG&E Electric Rule No. 1: Definitions, Sheet 30
[2] PG&E Advice Letter 4014-G/5378-E. Dated Sept. 7, 2018.
[3] PG&E Electric Rule No. 1: Definitions, Sheet 31
[4] Sonoma Clean Power Authority Joint Powers Authority. https://sonomacleanpower.org/uploads/documents/Third-Amended-JPA-FinalApproved-10-13-16-with-updated-Ex-C.pdf

On March 4, 2020, Governor Newsom declared a statewide emergency due to COVID-19. In response, PG&E suspended disconnections and implemented flexible payment plans for all residential and small business customers.

As adopted, D.19-07-015 requires PG&E to implement the emergency disaster relief program "in the event the Governor of California or a President of the United States declares a state of emergency because a disaster has either resulted in the loss or disruption of the delivery or receipt of utility service and/or resulted in the degradation of the quality of utility service."

Although COVID-19 has not resulted in the loss or disruption of the delivery or receipt of gas and electrical service and/or in the degradation of the quality of gas and electrical service, SCPA understands that customers may be affected financially, whether diagnosed with the virus or not.

On March 16, 2020 Governor Newsom issued an Executive Order requesting the Commission to monitor the consumer protections offered by the utilities in response to COVID-19. The Commission issued a letter to the investor owned utilities on March 17, 2020 explaining that although COVID-19 has not resulted in the same disruptions or degradations to utility service as the recent wildfires, the utilities should immediately extend applicable protections provided for in D.19-07-015 to Impacted Customers.

Based on Governor Newsom's Executive Order on March 16th, SCPA implemented its internal "COVID-19 Emergency Consumer Protection Policy I.13" for its Residential and Non-Residential Customers experiencing financial hardship during the COVID-19 pandemic.

Eligibility for COVID-19 Emergency Consumer Protection Plan:

Due to potential financial hardship from COVID-19, a customer will be eligible for SCPA's 2020 Covid-19 Emergency Consumer Protection Plan if the following criteria has been met:

a. A state of emergency proclamation has been issued by the California Governor's Office or the President of the United States due to the health emergency in SCPA's Service Territory; and
b. The customer is a Residential Customer or Non-Residential Customer of SCPA.

2020 COVID-19 Emergency Consumer Protection Plan:

SCPA's Emergency Consumer Protection Plan goes into effect the day a state of emergency proclamation has been issued by the California Governor's Office or the President of the United States due to a disaster in SCPA's Service Territory and includes the measures and parameters outlined below:

a. **Late Payment Notice:** SCPA will halt sending Late Payment Notices to eligible customers through ~~March 3, 2021~~June 30, 2021.

b. **Drop for Non-Payment:** SCPA will not drop eligible customers through ~~March 3, 2021~~June 30, 2021.
c. **Pre-Collection Notices:** SCPA will stop sending Pre-Collection Notices to eligible customers through ~~March 3, 2021~~June 30, 2021.
a) **Collections:** SCPA will halt collection activity for eligible customers through ~~March 3, 2021~~June 30, 2021.

SCPA's Board of Directors may change or extend these measures at its sole discretion.

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Staff Report – Item 06

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: **March 4, 2021**

PETALUMA GOES EVERGREEN!

On February 22nd, at the Petaluma City Council meeting, the Council voted unanimously to subscribe all of its accounts into the EverGreen program! Petaluma joins the Cities of Sonoma, Cotati, Sebastopol and Santa Rosa and the County of Sonoma in actively supporting local renewable energy projects to supply clean power 24 hours of every day.

MORE GREAT NEWS – ProFIT PROGRAM IS COMPLETED!

The final 1MW solar project for the SCP feed-in-tariff program, ProFIT started delivering power to EverGreen customers on 2/23/2021. The solar project is named "Petaluma Energy East" solar and is located west of Petaluma. It includes 1 MW of solar photovoltaic panels with single axis tracking, meaning that the solar panels are mechanically rotated throughout the course of the day to follow the sun's path. This allows the solar panels more hours of direct sunlight and thus they can generate more electricity than a fixed position solar array. This project was developed under SCP's feed-in-tariff program, ProFIT which pays developers a standard purchase price. The ProFIT program aimed to develop a total of 6 MW of local renewable power, and that milestone was reached with the completion of this latest project, thus completing the ProFIT program. SCP now has 6 MW of solar operating (1 MW in Willits, 1 MW in Cloverdale, and 4 MW in Petaluma). The successor program to ProFIT is current in design, and will reviewed by the Board as part of SCP's Local Resource Plan.

JOINT PROCUREMENT AND CC POWER

On February 17, 2021, SCP participated in the first meeting of California Community Power (CC Power), the entity formed by CCAs to aid in joint procurement of resources. SCP officially joined the new Joint Powers Authority on January 7, 2021.

The first meeting selected Girish Balachandran of Silicon Valley Clean Energy as Chair and Dawn Weisz of MCE as Vice Chair. The meeting also addressed a number of administrative items such as the meeting calendar, selection of an accountant, approval of an interim General Manager, and a provisional budget. All fiscal impacts of CC Power will be reflected in future SCP budgets, and are expected to have no net impact on SCP costs – i.e., SCP's costs that will be borne by CC Power in the future would have previously been borne by SCP relating to power supply negotiation costs.

Finally, union and environmental proponents spoke up at the February 17 CC Power meeting to advocate for the adoption of formal policies on labor and the environment. In response, CC Power formed an ad hoc committee of the CEO's of SCP, EBCE, RCEA and PCE to discuss and propose policies back to the CC Power Board of Directors in the future. Staff expect to have more details to report in the April meeting relating to the CC Power solicitation on long-duration energy storage. However, the short version is that a robust response to CC Power's solicitation is encouraging, and staff expect to see proposals developed over the coming month.

COVID-19 IMPACTS TO SCP

This fiscal year to date we are tracking 8% above budgeted MWh in electricity sales through December. This translates to 18% above budgeted revenue. We are still tracking 18% above budgeted energy costs through December due to increased sales and the August heat storm driving up market prices for several weeks.

We are experiencing near normal opt outs on a weekly basis for this time of year. Each year, some customers react to high bills from December and January usage and often call to opt out even though their high energy bills are often caused by increased gas usage for heating in the winter. The good news is that our total customer count has grown to 228,521 (as of 1/6/2021) which is a 0.7% increase over February 1, 2020.

SCP HEADQUARTERS PROJECT UPDATE

Construction on the Headquarters building is continuing to proceed on pace and slated for completion in summer of 2021. The windows and skylights have been installed, sheetrock work in the building has been completed, and painting will begin soon.

ADVANCED ENERGY CENTER UPDATE

Construction

PG&E and the City of Santa Rosa approved the main electrical panel replacement which was completed on February 5th. Currently we are in the final punch walk and commissioning phase of construction and should soon receive our certificate of occupancy. The soft opening of the Advanced Energy Center will follow 6-8 weeks of design installations, vendor bay installations, and COVID safety practices before we can open publicly.

Store Operations

AEC staff are working through a list of 24 online trainings they can do remotely which allows them to stay engaged prior to our first open day at the center. Most classes are SCP sponsored trainings, while the remainder are PG&E Energy Education classes. A first aid and safety vendor has been identified for equipment and staff training.

Education/Training

The Educational Program has a priority to recruit contractors to provide a viable referral list in the Advanced Energy Center website. SCP held contractor certification courses in February for installing grid integrated heat pump water heaters and phase change materials. On-Bill Finance Loan Program webinars for both customer and contractors were also held. A calendar of upcoming education and training opportunities is available through this link.

February Webinar Stats (before 2/25 webinar)

Webinar Name	Number of Registrations
Smart and Efficient, Electric Water Heating for Homes: Everything You Need to Know	101
On-Bill Financing: 0% Financing. 100% Easy.	39

Battery Storage Basics: Building Resiliency	69

Recent and Upcoming Events

2/25, 12pm - Electric Bikes 101

3/2, 5pm - Energy Saving Opportunities for Renters

3/4, 6:30pm - How Climate Change Impacts Health

3/8, 12pm - Advanced Energy Center Overview for Contractors

3/9, 7:30am - Advanced Energy Center Contractor Course: Grid Interactive Heat Pump Water Heater

3/10, 12pm, Advanced Energy Center Contractor Course: On-Bill Financing

3/23, 5pm - Home Remodeling for Resiliency and Fuel Switching

PROGRAM UPDATES:

Self-Generation Incentive Program (SGIP)

The SGIP Assistance Program will be reopening on March 1, 2021 to accept applications for General Market Small Residential Storage and Large-Scale Storage. More information at: www.sonomacleanpower.org/programs/sgipassistance.

School Storage and Solar Study

SCP and TerraVerde Energy are currently collecting data for interested school sites. Staff will develop a path to determine the final 20 sites to receive the no-cost analysis based on SCP's goals, including, but not limited to

- Sites that serve high amounts of free and reduced lunch
- Sites that have a high number of students experiencing homelessness
- Sites that have experienced past PSPS events
- Sites that are likely to experience future PSPS events using updated information from PG&E
- Sites that serve as emergency centers
- Sites that are geographically distributed across SCP territory
- Sites that are in urban locations and rural locations
- Sites that span different campus sizes (based on number of students)

Electric Bike Program

This equity-focused program, launching on in early March, will provide incentives on up to 200 electric bicycles to income-qualified customers. An up-to-date report will be provided at the meeting.

Advanced Energy Build

The Advanced Energy Build (AEB) program has a goal of supporting construction of 500 electric-ready and all-electric homes. Staff recently increased the incentive amount for low-income housing to $5,000 per home and expanded eligibility for battery storage incentives on multifamily housing. To date, the program has received applications for 170 units, the vast majority of which are affordable multifamily housing.

GridSavvy Community

Work continues building out the next offerings of the GridSavvy Community—Sonoma Clean Power's demand response umbrella of programs. Staff recently issued an RFQ for community donation partners to participate in the GridSavvy Community's behavioral demand response offering, currently in development. The behavioral demand response offering will offer SCP customers to earn cash rewards for participating in and reducing energy use during demand response events. These cash rewards can be kept by the customer or donated to community donation partners identified through this RFQ. Staff seek the Committee's assistance is identifying potential partners for this effort.

MONTHLY COMPILED FINANCIAL STATEMENTS

The year-to-date growth in net position is better than projections due primarily to greater than expected revenues. Revenue from electricity sales is greater than projections by approximately 18%, and cost of energy is over expectations by approximately 18%. Management anticipates the percentage overage in cost of energy to decrease as the fiscal year continues. Year-to-date electricity sales reached $110,817,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive $110,030,000, which indicates healthy growth. In addition to Net Position, SCP maintains an Operating Account Fund of $22,000,000 at the end of the period. Approximately $72,318,000 is set aside for reserves (Operating Reserve: $59,244,000; Program Reserve: $10,848,000; and Collateral Reserve: $2,226,000).

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

BUDGETARY COMPARISON SCHEDULE

The accompanying budgetary comparison includes the 2020/21 budget amendment approved by the Board of Directors in June 2020.

The budget is formatted to make comparisons for both the annual and the year-to-date perspective. The first column, 2020/21 YTD Budget, allocates the Board approved annual budget at expected levels throughout the year with consideration for the timing of additional customers, usage volumes, staffing needs etc. This column represents our best estimates, and this granular approach was not part of the Board approved budget.

Revenue from electricity sales to customers is greater than the year-to-date budget by approximately 18%.

The cost of electricity is greater that to the budget-to-date mostly due to market price volatility. SCP anticipates this cost category to normalize throughout the year. Variation in this account is typically due to fluctuating market cost of energy on open position purchases.

Major operating categories of Data Management fees and PG&E Service fees are based on the customer account totals and are closely aligned to budget.

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

COMMUNICATIONS TO THE BOARD

As a standard appendix to the Monthly Operations Report, staff will now include a link to any communications directed to the Board that have been received since the last Board meeting.

The monthly communications to the Board can be accessed through this link or by request from the Clerk of the Board.

UPCOMING MEETINGS:

Community Advisory Committee – March 18, 2021

Board of Directors – April 1, 2021

Community Advisory Committee – April 15, 2021

Board of Directors – May 6, 2021

ATTACHMENTS

December Financial Reports

ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Sonoma Clean Power Authority

Management is responsible for the accompanying special purpose statement of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended December 31, 2020, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of Sonoma Clean Power Authority.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. Sonoma Clean Power Authority's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
February 8, 2021

1101 Fifth Avenue, Suite 200 San Rafael, CA 94901 415 459 1249 mahercpa.com

SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
July 1, 2020 through December 31, 2020

	2020-21 YTD Budget	2020/21 YTD Actual	2020/21 YTD Budget Variance (Under) Over	2020/21 YTD Actual / Budget %	2020/21 Budget	2020/21 Budget Remaining
REVENUE AND OTHER SOURCES:						
Electricity (net of allowance) *	$ 93,391,002	$ 110,123,592	$ 16,732,590	118%	$ 161,517,700	$ 51,394,108
Evergreen Premium (net of allowance)	285,355	694,156	408,801	243%	582,000	(112,156)
Inflow from Operating Account Fund Reserves	-	-	-	0%	15,433,300	15,433,300
CEC Grant	1,915,000	1,261,223	(653,777)	66%	3,830,000	2,568,777
BAAQMD grant	50,000	34,000	(16,000)	0%	50,000	16,000
Interest income	382,500	444,614	62,114	116%	750,000	305,386
Miscellaneous Income	-	7,009	7,009	0%	80,000	72,991
Total revenue and other sources	96,023,857	112,564,594	16,540,737	117%	182,243,000	69,678,406
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	75,547,530	89,506,258	13,958,728	118%	149,468,000	59,961,742
Data management	1,590,953	1,593,834	2,881	100%	3,182,000	1,588,166
Service fees- PG&E	483,986	482,726	(1,260)	100%	968,000	485,274
Personnel	2,660,000	2,350,143	(309,857)	88%	5,680,000	3,329,857
Outreach and communications	565,002	279,364	(285,638)	49%	1,130,000	850,636
Customer service	283,165	208,257	(74,908)	74%	383,000	174,743
General and administration	289,998	229,169	(60,829)	79%	580,000	350,831
Legal	180,000	174,576	(5,424)	97%	360,000	185,424
Regulatory and compliance	198,500	75,214	(123,286)	38%	397,000	321,786
Accounting	108,498	119,250	10,752	110%	217,000	97,750
Legislative	14,000	-	(14,000)	0%	28,000	28,000
Other consultants	79,998	97,496	17,498	122%	160,000	62,504
CalCCA Trade Association	190,002	174,481	(15,521)	92%	380,000	205,519
Program implementation	2,575,000	953,093	(1,621,907)	37%	5,150,000	4,196,907
Program - CEC grant	4,160,000	2,718,893	(1,441,107)	65%	5,660,000	2,941,107
Total current expenditures	88,926,632	98,962,754	10,036,122	111%	173,743,000	74,780,246
OTHER USES						
Capital outlay	4,250,000	4,660,950	410,950	110%	8,500,000	3,839,050
Total Expenditures, Other Uses and Debt Service	93,176,632	103,623,704	10,447,072	111%	182,243,000	78,619,296
Net increase (decrease) in available fund balance	$ 2,847,225	$ 8,940,890	$ 6,093,665	314%	$ -	$ (8,940,890)

** Represents sales of approximately 1,214,000 MWh for 2020/21 YTD actual.*

RESERVES	Current Balance	% of Long-Term Target	Long-Term Target Balance
Operating Cash Reserve	$ 59,244,000	65%	$ 91,121,500
Program Cash Reserve	10,848,000	60%	18,224,300
Collateral Cash Reserve	2,226,000	15%	14,946,800
	$ 72,318,000	58%	$ 124,292,600

See accountants' compilation report.

SONOMA CLEAN POWER AUTHORITY

OPERATING FUND
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
July 1, 2020 through December 31, 2020

Net increase (decrease) in available fund balance per budgetary comparison schedule:	$	8,940,890
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:		
Subtract depreciation expense		(38,167)
Add back capital asset acquisitions		6,142,442
Change in net position	$	15,045,165

See accountants' compilation report.

ACCOUNTANTS' COMPILATION REPORT

Management
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of December 31, 2020, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. Sonoma Clean Power Authority's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
February 8, 2021

1101 Fifth Avenue, Suite 200 San Rafael, CA 94901 415 459 1249 mahercpa.com

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION
As of December 31, 2020

ASSETS	
Current assets	
Cash and cash equivalents	$ 73,015,990
Accounts receivable, net of allowance	21,669,982
Other receivables	2,104,481
Accrued revenue	10,124,027
Prepaid expenses	1,504,300
Deposits	487,079
Total current assets	108,905,859
Noncurrent assets	
Unrestricted cash in Rate Stabilization Fund	22,000,000
Land and construction-in-progress	14,026,219
Capital assets, net of depreciation	287,263
Deposits	6,430,922
Total noncurrent assets	42,744,404
Total assets	151,650,263
LIABILITIES	
Current liabilities	
Accrued cost of electricity	16,365,674
Accounts payable	1,606,091
Advanced from grantors	154,875
Other accrued liabilities	889,122
User taxes and energy surcharges due to other governments	604,942
Total current liabilities	19,620,704
DEFERRED INFLOWS OF RESOURCES	
Rate Stabilization Fund	22,000,000
NET POSITION	
Investment in capital assets	14,313,482
Unrestricted	95,716,077
Total net position	$ 110,029,559

See accountants' compilation report.

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
July 1, 2020 through December 31, 2020

OPERATING REVENUES		
Electricity sales, net	$	110,123,592
Evergreen electricity premium		694,156
Grant revenue		1,295,223
Total operating revenues		112,112,971
OPERATING EXPENSES		
Cost of electricity		89,506,258
Contract services		4,929,629
Staff compensation		2,350,143
General and administration		568,957
Program rebates and incentives		126,275
Depreciation		38,167
Total operating expenses		97,519,429
Operating income		14,593,542
NONOPERATING REVENUES (EXPENSES)		
Interest income		444,614
Other nonoperating revenue		7,009
Nonoperating revenues (expenses), net		451,623
CHANGE IN NET POSITION		15,045,165
Net position at beginning of period		94,984,394
Net position at end of period	$	110,029,559

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS
July 1, 2020 through December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 112,301,593
Receipts from grantors	2,720,953
Other operating receipts	428,320
Payments to electricity suppliers	(89,541,091)
Payments for other goods and services	(5,381,846)
Payments for staff compensation	(2,335,800)
Tax and surcharge payments to other governments	(1,392,642)
Payments for program rebates and incentives	(1,183,940)
Net cash provided (used) by operating activities	15,615,547
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments to acquire capital assets	(6,557,579)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income received	575,863
Proceeds from certificates of deposit matured	20,291,718
Net cash provided (used) by investing activities	20,867,581
Net change in cash and cash equivalents	29,925,549
Cash and cash equivalents at beginning of year	65,090,441
Cash and cash equivalents at end of year	$ 95,015,990
Reconciliation to the Statement of Net Position	
Cash and cash equivalents (current)	$ 73,015,990
Cash and cash equivalents (noncurrent)	22,000,000
Cash and cash equivalents	$ 95,015,990

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS (continued)
July 1, 2020 through December 31, 2020

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	$ 14,593,542
Adjustments to reconcile operating income to net	
cash provided (used) by operating activities	
Depreciation expense	38,167
Revenue adjusted for allowance for uncollectible accounts	1,402,756
(Increase) decrease in:	
Accounts receivable	(1,418,785)
Other receivables	582,693
Accrued revenue	71,431
Prepaid expenses	(426,053)
Deposits	(701,680)
Increase (decrease) in:	
Accrued cost of electricity	(169,772)
Accounts payable	373,316
Advance from grantors	(34,000)
Accrued liabilities	1,268,131
User taxes due to other governments	35,801
Net cash provided (used) by operating activities	$ 15,615,547

See accountants' compilation report.

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Staff Report – Item 07

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, Approve Positions on AB 843 CCA Access to CPUC Bioenergy Funds, SB 612 Ratepayer Equity Act, HR 763 Carbon Fee and Dividend, and Provide Other Direction as Appropriate**

Date: **March 4, 2021**

Requested Board Action:

Receive Legislative and Regulatory Updates, Approve Positions on AB 843 (Aguiar-Curry) CCA Access to CPUC Bioenergy Funds, SB 612 (Portantino) Ratepayer Equity Act, HR 763 (Deutch) Carbon Fee and Dividend, and Provide Other Direction as Appropriate

Regulatory Update

PG&E Rate Changes

On March 1st, PG&E will implement new rates spanning three areas:

1) energy charges for their electric generation customers;

2) transmission and distribution rates levied all customers for the "delivery" of energy via PG&E's wires; and

3) the on-going Power Charge Indifference Adjustment ("PCIA") exit fee which PG&E charges customers who have chosen to take generation service from providers like CCAs.

Sonoma Clean Power customers' bills are directly impacted by the latter two. However, the generation rates PG&E charges their remaining "bundled" customers are important to our agency as they also help determine the overall cost which SCP remains competitive with.

COVID-19 Protections

The California Public Utilities Commission recently adopted Resolution M-4849, which extends emergency protections for residential customers through June 30, 2021. These protections, aimed at alleviating the economic impact of COVID on essential services, were initially granted at the outset of the pandemic. Specifically, they suspend disconnections for non-payment of electric and gas bills, implement payment plans, and increase outreach to enroll customers on CARE and FERA rates. The Resolution provides similar protections for water and telecommunications customers. SCP customers will be afforded equivalent protections as those offered to bundled utility customers. In addition, the Commission is beginning to evaluate how to transition customers off of these protection programs, and how to address the now $1 billion dollars in under collections amassed across the State since COVID struck

Expedited Resource Procurement for the Summer of 2021

Following the electricity outages experienced across the State last August, the CPUC convened stakeholders to evaluate how to best improve reliability in the near-term. A central part of that discussion was based on the California grid operator's analysis of the root causes. Those causes included a conflux of factors including limited availability of generators, underperformance of certain resource types, market inefficiencies, and outdated regulatory constructs. All of these coincided with an extreme weather event to produce two days of outages.

On February 11th, the CPUC took the first action aimed at preventing future outages. They issued a Decision ordering the three investor-owned utilities to immediately contract for resources that can be available in time to serve peak demand in the summer of 2021. With those procurement orders underway, the Commission will begin to more closely evaluate how demand-side resources can reduce electrical load during critical times. SCP staff will continue to recommend clean supply resources and enhanced load management programs as favored solutions.

Four days later, the utilities submitted proposed contracts to the CPUC for review and approval. The costs of these contracts will be spread evenly across all ratepayers. The three utilities proposed over 500 MW in capacity. PG&E's portion would be provided by imports from Oregon, as well as increased capacity from existing plants. In calling for these contracts, the President of the CPUC noted that their next focus will be on demand side measures which can reduce customer load during times of grid stress.

New Appointments at CPUC, CEC, and CAISO

On February 9, Governor Newsom filled all of the vacancies on the CPUC, CEC and CAISO, naming:

Darcie Houck to the California Public Utilities Commission. Houck has served as Chief Counsel for the California Energy Commission since 2019. She was an Administrative Law Judge at the California Public Utilities Commission from 2016 to 2019, a Partner at Fredericks Peebles & Morgan from 2005 to 2016 and Staff Counsel and Policy Advisor at the California Energy Commission from 2000 to 2005. Houck is a member of the California Indian Law Association, California Lawyers Association, Schwartz-Levi Inn of Court, Women Lead and the Association of Women in Water, Energy, and Environment. Houck earned a Juris Doctor degree from the University of California, Davis School of Law and a Master of Science degree in community development from the University of California, Davis.

Siva Gangadhar Gunda has been appointed to the California Energy Commission. Gunda has served as Deputy Director of the Energy Assessments Division at the California Energy Commission since 2018 and was Office Manager for the Demand Analysis Office at the Commission from 2017 to 2018. He held multiple positions at the University of California, Davis Energy and Efficiency Institute, including Director of Research & India Initiatives from 2016 to 2017, Director of Research from 2015 to 2017 and Program Manager from 2011 to 2015. Gunda earned a Master of Science degree in mechanical and aeronautical engineering from Utah State University.

Mary Leslie has been reappointed to the California Independent System Operator Board of Governors, where she has served since 2019. Leslie has been President of the Los Angeles Business Council since 2001. She was Founder of Leslie and Associates from 1999 to 2019, served as a Commissioner of the Los Angeles Department of Water and Power from 2001 to 2003 and was President at the Hugh O'Brian Youth Leadership organization from 1995 to 1999. Leslie served as Deputy Mayor of Economic Development to Mayor Richard Riordan for the City of Los Angeles from 1994 to 1996, Deputy Director for the U.S. Small Business Administration from 1993 to 1994 and California Finance Director for Bill Clinton for President in 1992. Leslie earned a Master of Public Policy degree from the University of Southern California.

Jan Schori has been appointed to the California Independent System Operator Board of Governors. Schori was a member of the Board of Trustees of the North American Electric Reliability Corporation from 2009 to 2021. She was Of Counsel at Downey Brand LLP from 2008 to 2012. She held multiple positions at the Sacramento Municipal Utility District from 1984 to 2008, including Chief Executive Officer and General Manager, General Counsel, Assistant General Counsel and Attorney. Schori earned a Juris Doctor degree from the University of California, Davis School of Law.

Legislative Update

SCP and CalCCA are tracking the following bills:

Bill	Author	Description	Location	Position
AB 11	Ward	Creates regional climate change coordinating groups to coordinate and implement activities to reduce GHG emissions. Activities include reducing energy consumption and energy efficiencies.	Asm Natural Resources	TBD
AB 33	Ting	Bans natural gas connections in new school and other public buildings.	--withdrawn--	TBD
AB 64	Quirk	Requires CPUC, CEC, and ARB to develop a strategy on how to achieve SB 100 goals in a cost-effective manner. The strategy must include plans to develop the technologies that will help achieve this goal.	Asm Utilities and Energy	TBD
AB 75	O'Donnell	Kindergarten-Community Colleges Education Facilities Bond Act of 2022. We will monitor this bill should provisions for decarbonization, resiliency, and energy efficiency be considered. Senate version is SB 22.	Asm Education	Watch
AB 96	O'Donnell	Extends the sunset for the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program from 2021 to 2026 and dedicates 20% of funds to be used for commercial deployment heavy-duty trucks.	Asm Transportation	Watch
AB 113	Boerner-Horvath	Spot bill language amending PUC section 740.16 on electric vehicle grid integration.	Referral pending	Watch

Bill	Author	Description	Location	Position
AB 322	Salas	Requires the Energy Commission to allocate at least 20% of EPIC funds to bioenergy projects for biomass conversion.	Asm Utilities and Energy	TBD
AB 427	Bauer-Kahan	Requires the CPUC to establish rules that aggregated customer resources (such as with GridSavvy) could be used by SCP and other electric providers to meet resource adequacy requirements.	Asm Utilities and Energy	TBD
AB 525	Chiu	Would direct the CEC to develop a plan for 3,000 MW of offshore wind in California by 2030 and an additional 7,000 MW by 2040.	Asm Utilities and Energy	TBD
AB 843	Aguiar-Curry	Would allow CCAs to substitute CCA-procured bioenergy power for a portion of the CPUC's mandated construction of bioenergy projects by the IOUs in the BioMAT program. Note: see detailed discussion below.	Referral pending	Recommend SUPPORT see analysis below
AB 1088	Mayes	Would create a new California Procurement Authority by 2024 that would buy all short- and long-term energy and capacity resources that the CPUC deems necessary when an LSE fails to procure them.	Referral pending	TBD
AB 1139	Gonzalez	Would shift all net metering subsidies to CARE customers and remove the subsidy for non-CARE customers. Non-CARE customers of IOUs would receive the actual real-time wholesale value for net flows onto the grid. Increases the CARE discount for low-income customers to between 40% and 45%.	Referral pending	TBD - SCP is researching the potential impact on SCP's CARE customers.
SB 18	Skinner	Requires the ARB in its AB32/SB32 scoping plan to develop a strategy accelerating the development of green hydrogen. Encourages green hydrogen to be used for storage in meeting portfolio diversity requirements.	Sen Energy Utilities and Communications	TBD
SB 22	Glazer	Public Preschool, K-12, and College Health and Safety Bond Act of 2022. CalCCA will monitor this bill should provisions for decarbonization, resiliency, and energy efficiency be considered. Assembly version is AB 75.	Sen Education	TBD

Bill	Author	Description	Location	Position
SB 30	Cortese	Prohibits design and construction of state facilities connected to natural gas after Jan 1, 2022. Also requires a plan to make all state facilities carbon neutral by 2035.	Sen Governmental Organization	TBD
SB 31	Cortese	Authorizes the CEC to use federal Covid relief funds for building decarbonization programs and requires that EPIC funds be made available for building decarbonization programs.	Sen Energy Utilities and Communications	TBD
SB 32	Cortese	Requires cities and counties to update their general plans to account for how they will decarbonize their building stock.	Sen Government and Finance	TBD
SB 44	Allen	Provides environmental leadership transit projects (AB 900, statutes of 2011) expedited review.	Sen Environmental Quality	TBD
SB 45	Portantino	Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Floor Protection Bond Act of 2022	Sen Natural Resources	TBD
SB 52	Dodd	Adds deenergization events to the definition of "sudden and severe energy shortage" for purposes of classifying deenergization events as natural disasters.	Sen Governmental Organization	TBD
SB 67	Becker	Spot bill language to accelerate the state's progress toward having 100% of electricity provided by renewable or other zero-carbon sources on a 24-hour, 7-day basis.	Sen Natural Resources	TBD
SB 68	Becker	Spot bill language to help the state achieve its climate and air pollution reduction goals in the building sector through actions such as reducing barriers to upgrading electrical service panels.	Sen Rules	TBD
SB 99	Dodd	Community Energy Resiliency Act of 2021. Requires the commission to develop and implement a grant program for local governments to develop energy resilience plans.	Sen Energy Utilities and Communications	TBD
SB 204	Dodd	Clarifies that an IOU can allow anyone in their service territory regardless of who their energy provider is, to participate in the Base Interruptible Program (BIP). Directs other changes to expand the program.	Sen Energy Utilities and Communications	TBD

Bill	Author	Description	Location	Position
SB 529	Hertzberg	Spot bill that would authorize the CPUC to establish a multiyear centralized resource adequacy obligation and backstop mechanism.	Referral pending	TBD
SB 612	Portantino	CalCCA is sponsoring the Ratepayer Equity Act to require IOUs to take certain actions to minimize the generation-related costs they pass on to all ratepayers. See detailed discussion and analysis below.	Referral Pending	Recommend SUPPORT See analysis below
SB 733	Hueso	This bill would require the CPUC to set targets for each LSE to procure energy storage systems to be achieved by December 31, 2030, including pumped storage hydroelectric.	Referral pending	TBD

Recommended Positions on Bills

AB 843 (Aguiar-Curry) Enabling CCA Access to CPUC Bioenergy Funds – Recommend SUPPORT

AB 843 would allow CCAs to buy energy from a portion of the IOU's CPUC-mandated bioenergy projects and access to the CPUC BioMAT funds. It is a narrow bill in that it doesn't change the amount of bioenergy in the BioMAT program, or the types of bioenergy allowed, or any regulatory procedures or oversight. The only change would that CCAs would be allowed to participate.

The BioMAT program was established in 2012 (SB 1122) and requires IOUs to procure 250 MW of energy from then-new small bioenergy projects using:

- biogas from wastewater treatment, municipal composting, food processing or co-digestion; or
- dairy and other agricultural bioenergy; or
- generation from byproducts of sustainable forest management.

Given local environmental concerns with local woody forest biomass power, this bill could help SCP and other CCAs steer California's mandated bioenergy power projects toward environmentally favorable investments.

Likely support: rural communities, CCAs, wastewater treatment districts, dairy farmers, local governments.

Likely opposition: environmental groups opposed to any kind of bioenergy.

The bill is consistent with SCP's adopted Policy Platform in that it increases SCP's ability to self-procure resources that SCP's Board deem appropriate without creating a mandate to do so.

Staff recommend SCP support AB 843.

SB 612 (Portantino) Ratepayer Equity Act – Recommend SUPPORT

CalCCA is sponsoring the Ratepayer Equity Act and seeking support from all CCAs.

Every electric customer of PG&E, SCE and SDG&E pays for those utility's electric generation costs. The utility's full-service customers pay through their generation charges, and CCA customers pay their share through an exit fee. If done right, this system makes sure that customers are all treated fairly, regardless of who they receive service from. This bill would help ensure it is done right by ensuring all customers get fair access and fair value for the extra power utilities bought that they don't need through:

- Requiring the investor-owned utilities to offer their excess power to CCAs when their customers are paying for it;
- Requiring the utilities to offer any remaining excess to the market for sale and crediting customers for the money they recover;
- Requiring the CPUC to credit customers for the full value, including the value of carbon-free energy;
- Requiring utilities to make efforts to minimize the amount of excess power and costs in their supply contracts.

Author: Senator Anthony Portantino (D-La Canada Flintridge), District 25

Coauthors: Senator Ben Allen (D-Santa Monica), District 26
Senator Josh Becker (D-Menlo Park), District 13
Senator Mike McGuire (D-Healdsburg), District 2
Senator Scott Wiener (D-San Francisco), District 11

Assemblymember Rebecca Bauer-Kahan (D-Orinda), District 16
Assemblymember Marc Berman (D-Menlo Park), District 24
Assemblymember Richard Bloom (D-Santa Monica), District 50
Assemblymember Tasha Boerner-Horvath (D-Encinitas), District 76
Assemblymember Ash Kalra (D-San Jose), District 27
Assemblymember Alex Lee (D-Milpitas), District 25
Assemblymember Marc Levine (D-San Rafael), District 10
Assemblymember Marc Stone (D-Scotts Valley), District 29
Assemblymember Jim Wood (D-Healdsburg), District 2

Currently it is a legislative intent spot bill because in January the CPUC was still deciding some of the underlying issues. However, the full bill language that will be amended into the bill in March is also attached to this report to provide greater clarity.

A background paper on the bill is attached.

And in federal legislation, HR 763 (Deutch) Carbon Fee and Dividend – Recommend SUPPORT

The SCPA Board of Directors adopted a resolution in early 2018 supporting a federal program to enact a revenue-neutral carbon fee and dividend program, however the item was not moved in Congress at that time due to an assessment that it had no chance of success in 2018.

With changes in the Senate and the Presidency, the item is returning in the form of HR 763 (Deutch, FL). In brief, this bill would establish a fee on carbon that would be returned to the public in a manner that is revenue neutral and which would establish a carbon fee and dividend program consistent with the Board's previously-adopted policy.

The bill would introduce a carbon fee at the point of extraction, beginning at $15 per metric ton of CO_2-e (carbon dioxide equivalent) and increasing each year by $10 (adjusted by inflation) or more, rebate the revenue with an equal share to tax-paying adults and a half-share for all minors and adults younger than 19, and introduce a border carbon adjustment on imported carbon-intensive products to discourage companies moving abroad.

Because of the consistency with the Board's existing adopted resolution, staff request Board approval to support HR 763.

ENSURING FAIR AND EQUAL ACCESS TO BENEFITS OF LEGACY ENERGY RESOURCES
Internal Fact Sheet for Proposed Legislation

SUMMARY

Over the last ten years, millions of utility customers have transitioned from investor-owned utility (IOU) electric service to Community Choice Aggregators (CCAs), local government-owned utilities providing electricity over the existing power grid. As part of this transition, CCA customers continue to share with IOU customers cost responsibility for legacy energy resources purchased by IOUs prior to their departure for CCA service.

While all customers bear responsibility for these legacy resources, only IOU customers can meaningfully access the benefits. This bill solves that inequity by ensuring all customers have equal access, through an allocation process, to the benefits of the resources that were purchased on their behalf, such as renewable and greenhouse-gas free (GHG-free) energy and resource adequacy. Additionally, it implements other consensus measures designed to maximize the value and utility of legacy resources held in IOU portfolios.

EXISTING LAW

Existing law (AB 117, Statutes of 2003 and SB 350, Statutes of 2015) provides that the California Public Utilities Commission (CPUC) must ensure overall cost minimization and prevent cost shifts between IOU and departing-load customers (e.g., CCAs and ESPs). AB 117, SB 790, and related legislation have been implemented by the CPUC in the form of the Power Charge Indifference Adjustment (PCIA), a surcharge on all customers intended to collect above-market costs of the IOUs legacy resources. SB 790 requires that the cost responsibility of CCA customers shall be reduced by the value of any benefits that remain with bundled service customers, unless the CCA customers are allocated a fair and equitable share of those benefits.

THIS PROPOSAL

This proposal would add new sections to the Public Utilities Code that are designed to ensure fair and equal access to the benefits of legacy resources and ensure resources held in IOU portfolios are managed to maximize value for all customers.

Specifically, this proposal:

1) Provides IOU, CCA, and direct access customers equal right to receive legacy resource products that were procured on their behalf in proportion to their load share if they pay the full cost of those products.

2) Requires the CPUC to recognize the value of GHG-free energy and any new products in assigning cost responsibility for above-market legacy resources, in the same way value is recognized for renewable energy and other products.

3) Requires IOUs to offer any remaining excess legacy resource products not taken by IOU, CCA, or direct access customers to the wholesale market in an annual solicitation.

4) Requires each IOU to transparently solicit interest from legacy resource contract holders in re-negotiating, buying out, or otherwise reducing costs from these contracts.

BACKGROUND

Overview

Early procurement of renewable energy generation resources by California's IOUs resulted in a rapid transition to renewable energy. As renewable resources have grown to scale, both prices and market value for renewable energy have declined, leaving a significant portion of the IOU legacy resource portfolio underwater. Likewise, utility-owned generation operates at costs that are significantly above market, further increasing the PCIA. These parallel trends have produced billions of dollars of above-market costs needed to be recovered through the PCIA.

While these resources produce high costs, they also produce valuable products such as renewable energy, hydroelectric energy, and resource adequacy, products needed by all energy providers to meet their clean energy goals and remain in compliance with reliability requirements. However, under the current structure, all of these products are retained by the IOU for its own compliance purposes. While CCA and direct access customers continue to pay a significant share of the costs for these resources, their ability to access the benefits depends on the willingness of the IOU – at its sole discretion – to sell.

This inequity has been long recognized by regulators and stakeholders. In 2017, the CPUC opened a proceeding intended to address PCIA-related issues and included addressing portfolio management and portfolio optimization. The CPUC deferred on this in its October 2018 decision, instead directing CalCCA, SCE, and Commercial Energy (co-chairs of the Working Group) to work together on a consensus solution. That solution – reflected in this bill proposal and developed through months of hard work by the co-chairs – was formally provided in February 2020, but has not been given any procedural consideration since.

What is the PCIA?

The Power Charge Indifference Adjustment (PCIA) is a mechanism adopted by the Commission as part of a ratemaking methodology to ensure that when electric customers of an investor-owned utility (IOU) depart from IOU service and receive their electricity from a non-IOU provider, such as a CCA, those customers remain responsible for costs previously incurred on their behalf by the IOUs.

Status of the PCIA

The concept of allowing a utility to recover above market costs through a nonbypassable charge (NBC) has been around since restructuring of the electric sector in the mid-90s. The PCIA surcharge is a form of NBC that has been updated and revised several times. The PCIA, or 'stranded costs', is the total IOU portfolio costs for the eligible resources minus their portfolio value. In 2017, the CPUC opened a rulemaking to revise the PCIA and identified one of the issues to be addressed was optimization of IOU portfolio management (e.g., contract extensions and contract renegotiation) to minimize stranded costs.

Parties advanced numerous proposals for optimization in Phase 1 (e.g., securitization, buy-out/buy-down, voluntary allocation and auction) but the final decision in October 2018 limited its scope to market price benchmark reform and deferred optimization issues to Phase 2.

The Phase 2 scoping memo issued in February 2019 identified three areas in need of resolution, including identifying the “structures, processes, and rules governing portfolio optimization that the Commission should consider in order to address excess resources in the utility portfolios” and how to improve “management of the utilities’ portfolios in response to departing load in the future in order to minimize further accumulation of uneconomic costs.”

A Working Group process was established at the CPUC with three co-chairs representing the affected load serving entities (CCAs, IOUs, and direct access providers): California Community Choice Association (CalCCA), Southern California Edison (SCE), and Commercial Energy (CE).

After 10 months of collaborative and extensive resource investment that included four workshops and two progress reports, the co-chairs filed a final consensus report in February 2020. The Commission final decision was expected by June 2020. As of February 1, 2021, the Commission has taken no action towards adoption of the final consensus report.

The delay by the CPUC to issue a decision impacts the procurement plans of the load serving entities (LSEs). The delay creates uncertainty and may lead to duplicative procurement as IOUs, CCAs, and ESPs are forced to guess what resources, if any, their customers may have access to in the future.

Benefits of Bill Proposal

- Maximize the value of the portfolio and provide equitable access to all LSEs required to pay above-market costs
- Minimize stranded costs by increasing sales revenues and reducing costs in the PCIA-eligible resource portfolio
- Prevent “double procurement” of Resource Adequacy (RA) and Renewable Portfolio Standard (RPS) compliance resources thereby reducing ratepayer costs
- Provide greater transparency for IOU optimization efforts

SENATE BILL No. 612

Introduced by Senator Portantino
(Coauthors: Senators Allen, Becker, McGuire, and Wiener)
(Coauthors: Assembly Members Bauer-Kahan, Berman, Bloom, Boerner Horvath, Kalra, Lee, Levine, Mullin, Stone, and Wood)

February 18, 2021

An act relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 612, as introduced, Portantino. Electrical corporations: allocation of legacy resources.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law authorizes a community choice aggregator to aggregate the electrical load of interested electricity consumers within its boundaries and requires a community choice aggregator to file an implementation plan with the Public Utilities Commission in order for the commission to determine a cost recovery mechanism to be imposed on the community choice aggregator to prevent a shifting of costs to an electrical corporation's bundled customers. Existing law requires that the bundled retail customers of an electrical corporation not experience any cost increase as a result of the implementation of a community choice aggregator program and requires the commission to ensure that the departing load does not experience any cost increases as a result of an allocation of costs that were not incurred on behalf of the departing load. Pursuant to existing law, the commission has adopted decisions and orders imposing certain costs on customers of an electrical corporation that depart from receiving bundled service from the electrical corporation to instead receive electricity from an electric service provider or a community choice aggregator.

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This bill would state the intent of the Legislature to enact subsequent legislation related to public utilities that would ensure fair and equal access to the benefits of legacy resources held in investor-owned utility portfolios and address the management of these resources to maximize value for all customers.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. It is the intent of the Legislature to enact subsequent legislation related to public utilities that would ensure fair and equal access to the benefits of legacy resources held in investor-owned utility portfolios and address the management of these resources to maximize value for all customers.

O

Amendments to be incorporated into legislative intent bill.
Drafted, 1-28-21

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 366.4 is added to the Public Utilities Code, to read:
366.4. (a) For purposes of this section, the following terms have the following meanings:

(1) "Departing-load customer" means a customer of an electrical corporation that departs from receiving electric service from an electrical corporation to instead receive electric service from another load-serving entity.

(2) "Legacy resource" means any generation resource or agreement to purchase electricity for delivery to end-use customers in California that was procured by an electrical corporation solely on behalf of the electrical corporation's end-use customers it served at the time of procurement and that is eligible for recovery to prevent cost shifting among the customers of load-serving entities.

(3) "Load-serving entity" has the same meaning as defined in Section 380.

(4) "Product" means electrical resources procured to meet the resource adequacy requirements of Section 380, electrical resources procured to meet the requirements of the California Renewables Portfolio Standard Program (Article 16 (commencing with Section 399.11)), electrical resources that do not emit greenhouse gases, and any new generating attributes identified after January 1, 2021, that have regulatory compliance or other identified market value.

(5) "Vintage" means the cost responsibility allocated by the commission, for purposes of legacy resource cost responsibility, to departing-load customers, which the commission allocates to those departing-load customers corresponding to the year the customer departs receiving electric service from the electrical corporation.

(b) (1) By July 1, 2022, and by each July 1 thereafter, the commission shall require an electrical corporation to annually offer, for the following year, an allocation of each product arising from legacy resources to its bundled customers and to other load-serving entities serving departing-load customers who bear cost responsibility for those resources.

(2) The electrical corporation shall offer this allocation in an amount up to each customer's proportional share of legacy resources in the customer's vintage, as determined by the commission.

(3) The electrical corporation shall offer the products for a term and in a manner that maximizes the value of the legacy resources.

(c) (1) A load-serving entity within the service territory of the electrical corporation may elect to receive all or a portion of the vintaged proportional share of products allocated to its end-use customers and shall pay to the electrical corporation the commission-established market price benchmark for the vintage proportional share of products received.

(2) The electrical corporation shall offer to load-serving entities serving departing-load customers within its service territory the same long-term renewable portfolio standard value available to bundled customers by offering an allocation of eligible renewable portfolio standard resources with a remaining term of at least 10 years for a term equal to the proportionate share of the remaining term of the eligible renewable energy resources. These allocated resources shall count toward a load-serving entity's long-term procurement requirement pursuant to subdivision (b) of Section 399.13.

(3) To enable a load-serving entity to effectively align its supply with its customers' requirements, the electrical corporation shall, at a minimum, provide each load-serving entity electing to receive an allocation the following information for each allocated product:

(A) Not less than seven months before the beginning of the production year, the most recent three-year historical production data for the allocated products and the estimated annual production profile by vintage and resource type in all hours.

(B) Within 15 days following the end of each production month, actual production data for the prior month.

(d) (1) An electrical corporation shall offer any products allocated to departing-load customers that a load-serving entity declines to elect to receive pursuant to subdivision (c) in the wholesale market in an annual solicitation. All revenues received through the annual solicitation shall be credited toward reducing any nonbypassable charge for all distribution customers of the electrical corporation.

(2) The commission shall recognize and account for the value of all products in the electrical corporation's legacy resource portfolio in determining any nonbypassable charge to be paid by departing-load customers.

SEC. 2. Section 454.5 of the Public Utilities Code is amended to read:

454.5. (a) The commission shall specify the allocation of electricity, including quantity, characteristics, and duration of electricity delivery, that the Department of Water Resources shall provide under its power purchase agreements to the customers of each electrical corporation, which shall be reflected in the electrical corporation's proposed procurement plan. Each electrical corporation shall file a proposed procurement plan with the commission not later than 60 days after the commission specifies the allocation of electricity. The proposed procurement plan shall specify the date that the electrical corporation intends to resume procurement of electricity for its retail customers, consistent with its obligation to serve. After the commission's adoption of a procurement plan, the commission shall allow not less than 60 days before the electrical corporation resumes procurement pursuant to this section.

(b) An electrical corporation's proposed procurement plan shall include, but not be limited to, all of the following:

(1) An assessment of the price risk associated with the electrical corporation's portfolio, including any utility-retained generation, existing power purchase and exchange contracts, and proposed contracts or purchases under which an electrical corporation will procure electricity, electricity demand reductions, and electricity-related products and the remaining open position to be served by spot market transactions.

(2) A definition of each electricity product, electricity-related product, and procurement-related financial product, including support and justification for the product type and amount to be procured under the plan.

(3) The duration of the plan.

(4) The duration, timing, and range of quantities of each product to be procured.

(5) A competitive procurement process under which the electrical corporation may request bids for procurement-related services, including the format and criteria of that procurement process.

(6) An incentive mechanism, if any incentive mechanism is proposed, including the type of transactions to be covered by that mechanism, their respective procurement benchmarks, and other parameters needed to determine the sharing of risks and benefits.

(7) The upfront standards and criteria by which the acceptability and eligibility for rate recovery of a proposed procurement transaction will be known by the electrical corporation before execution of the transaction. This shall include an expedited approval process for the commission's review of proposed contracts and subsequent approval or rejection of a contract. The electrical corporation shall propose alternative procurement choices in the event a contract is rejected.

(8) Procedures for updating the procurement plan.

(9) A showing that the procurement plan will achieve the following:

(A) The electrical corporation, in order to fulfill its unmet resource needs, shall procure resources from eligible renewable energy resources in an amount sufficient to meet its procurement requirements pursuant to the California Renewables Portfolio Standard Program (Article 16 (commencing with Section 399.11) of Chapter 2.3).

(B) The electrical corporation shall create or maintain a diversified procurement portfolio consisting of both short-term and long-term electricity and electricity-related and demand reduction products.

(C) (i) The electrical corporation shall first meet its unmet resource needs through all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible.

(ii) In determining the availability of cost-effective, reliable, and feasible demand reduction resources, the commission shall consider the findings regarding technically and economically achievable demand reduction in the Demand Response Potential Study required pursuant to Commission Order D.14-12-024, to the extent those findings are not superseded by other demand reduction studies conducted by academic institutions or government agencies, and to the extent that any demand reduction is consistent with commission policy.

(D) (i) The electrical corporation, in soliciting bids for new gas-fired generating units, shall actively seek bids for resources that are not gas-fired generating units located in communities that suffer from cumulative pollution burdens, including, but not limited to, high emission levels of toxic air contaminants, criteria air pollutants, and greenhouse gases.

(ii) In considering bids for, or negotiating contracts for, new gas-fired generating units, the electrical corporation shall provide greater preference to resources that are not gas-fired generating units located in communities that suffer from cumulative pollution burdens, including, but not limited to, high emission levels of toxic air contaminants, criteria air pollutants, and greenhouse gases.

(iii) This subparagraph does not apply to contracts signed by an electrical corporation and approved by the commission before January 1, 2017.

(10) The electrical corporation’s risk management policy, strategy, and practices, including specific measures of price stability.

(11) A plan to achieve appropriate increases in diversity of ownership and diversity of fuel supply of nonutility electrical generation.

(12) A mechanism for recovery of reasonable administrative costs related to procurement in the generation component of rates.

(c) The commission shall review and accept, modify, or reject each electrical corporation’s procurement plan and any amendments or updates to the plan. The commission shall ensure that the plan contains the elements required by this section, including the elements described in subparagraphs (C) and (D) of paragraph (9) of subdivision (b). The commission’s review shall consider each electrical corporation’s individual procurement situation, and shall give strong consideration to that situation in determining which one or more of the features set forth in this subdivision shall apply to that electrical corporation. A procurement plan approved by the commission shall contain one or more of the following features, provided that the commission may not approve a feature or mechanism for an electrical corporation if it finds that the feature or mechanism would impair the restoration of an electrical corporation’s creditworthiness or would lead to a deterioration of an electrical corporation’s creditworthiness:

(1) A competitive procurement process under which the electrical corporation may request bids for procurement-related services. The commission shall specify the format of that procurement process, as well as criteria to ensure that the auction process is open and adequately subscribed. Any purchases made in compliance with the commission-authorized process shall be recovered in the generation component of rates.

(2) An incentive mechanism that establishes a procurement benchmark or benchmarks and authorizes the electrical corporation to procure from the market, subject to comparing the electrical corporation's performance to the commission-authorized benchmark or benchmarks. The incentive mechanism shall be clear, achievable, and contain quantifiable objectives and standards. The incentive mechanism shall contain balanced risk and reward incentives that limit the risk and reward of an electrical corporation.

(3) Upfront achievable standards and criteria by which the acceptability and eligibility for rate recovery of a proposed procurement transaction will be known by the electrical corporation before the execution of the bilateral contract for the transaction. The commission shall provide for expedited review and either approve or reject the individual contracts submitted by the electrical corporation to ensure compliance with its procurement plan. To the extent the commission rejects a proposed contract pursuant to this criteria, the commission shall designate alternative procurement choices obtained in the procurement plan that will be recoverable for ratemaking purposes.

(d) A procurement plan approved by the commission shall accomplish each of the following objectives:

(1) Enable the electrical corporation to fulfill its obligation to serve its customers at just and reasonable rates.

(2) Eliminate the need for after-the-fact reasonableness reviews of an electrical corporation's actions in compliance with an approved procurement plan, including resulting electricity procurement contracts, practices, and related expenses. However, the commission may establish a regulatory process to verify and ensure that each contract was administered in accordance with the terms of the contract, and contract disputes that may arise are reasonably resolved.

(3) Ensure timely recovery of prospective procurement costs incurred pursuant to an approved procurement plan. The commission shall establish rates based on forecasts of procurement costs adopted by the commission, actual procurement costs incurred, or a combination thereof, as determined by the commission. The commission shall establish power procurement balancing accounts to track the differences between recorded revenues and costs incurred pursuant to an approved procurement plan. The commission shall review the power procurement balancing accounts, not less than semiannually, and shall adjust rates or order refunds, as necessary, to promptly amortize a balancing account, according to a schedule determined by the commission. Until January 1, 2006, the commission shall ensure that any overcollection or undercollection in the power procurement balancing account does not exceed 5 percent of the electrical corporation's actual recorded generation revenues for the prior calendar year excluding revenues collected for the Department of Water Resources. The commission shall determine the schedule for amortizing the overcollection or undercollection in the balancing account to ensure that the 5-percent threshold is not exceeded. After January 1, 2006, this adjustment shall occur when deemed appropriate by the commission consistent with the objectives of this section.

(4) Moderate the price risk associated with serving its retail customers, including the price risk embedded in its long-term supply contracts, by authorizing an electrical corporation to enter into financial and other electricity-related product contracts.

(5) Provide for just and reasonable rates, with an appropriate balancing of price stability and price level in the electrical corporation's procurement plan.

(e) The commission shall provide for the periodic review and prospective modification of an electrical corporation's procurement plan.

(f) The commission may engage an independent consultant or advisory service to evaluate risk management and strategy. The reasonable cost of any consultant or advisory service is a reimbursable expense and eligible for funding pursuant to Section 631.

(g) The commission shall adopt appropriate procedures to ensure the confidentiality of any market sensitive information submitted in an electrical corporation's proposed procurement plan or resulting from or related to its approved procurement plan, including, but not limited to, proposed or executed power purchase agreements, data request responses, or consultant reports, or any combination of these, provided that the Public Advocate's Office of the Public Utilities Commission and other consumer groups that are nonmarket participants shall be provided access to this information under confidentiality procedures authorized by the commission.

(h) Each electrical corporation with an approved plan shall conduct a request for offers from any party to an existing electricity purchase agreement, at that party's full discretion, to modify the agreement to reduce the electrical corporation's total procurement costs on a present value basis over the remaining life of the contract and that is recovered from both bundled and departing-load customers, as defined in Section 366.4. Each electrical corporation shall issue a request for offer on January 1, 2023, and by January 1 of each odd-numbered year thereafter. The electrical corporation shall publicly report the results of the request for offers in its annual proceeding for review of contract administration pursuant to paragraph (2) of subdivision (d), identifying the total cost savings to customers, without disclosing competitively sensitive price information for individual contracts. The commission shall determine in its annual proceeding for review of contract administration pursuant to paragraph (2) of subdivision (d) if the electrical corporation's actions or inactions in response to the request for offers were reasonable and in the interest of bundled and departing load customers.

~~(h)~~ **(i)** This section does not alter, modify, or amend the commission's oversight of affiliate transactions under its rules and decisions or the commission's existing authority to investigate and penalize an electrical corporation's alleged fraudulent activities, or to disallow costs incurred as a result of gross incompetence, fraud, abuse, or similar grounds. This section does not expand, modify, or limit the Energy Commission's existing authority and responsibilities as set forth in Sections 25216, 25216.5, and 25323 of the Public Resources Code.

~~(i)~~ **(j)** An electrical corporation that serves less than 500,000 electric retail customers within the state may file with the commission a request for exemption from this section, which the commission shall grant upon a showing of good cause.

~~(j)~~ **(k)** (1) Before its approval pursuant to Section 851 of any divestiture of generation assets owned by an electrical corporation on or after September 24, 2002, the commission shall determine the impact of the proposed divestiture on the electrical corporation's procurement rates and shall approve a divestiture only to the extent it finds, taking into account the effect of the divestiture on procurement rates, that the divestiture is in the public interest and will result in net ratepayer benefits. (2) Any electrical corporation's procurement necessitated as a result of the divestiture of generation assets on or after September 24, 2002, shall be subject to the mechanisms and procedures set forth in this section only if its actual cost is less than the recent historical cost of the divested generation assets. (3) Notwithstanding paragraph (2), the commission may deem proposed procurement eligible to use the procedures in this section upon its approval of asset divestiture pursuant to Section 851.

~~(k)~~ **(l)** The commission shall direct electrical corporations to include in their proposed procurement plans the integration costs described and determined pursuant to clause (v) of subparagraph (A) of paragraph (5) of subdivision (a) of Section 399.13.

~~(l)~~ **(m)** Before approving an electrical corporation's contract for any new gas-fired generating unit, the commission shall require the electrical corporation to demonstrate compliance with its approved procurement plan. SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

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Staff Report – Item 08

To: Sonoma Clean Power Authority Board of Directors

From: Stephanie Reynolds, Director of Internal Operations

Issue: Receive Update on Vacancy on the Community Advisory Committee, Appoint ad hoc Committee for Recruitment and Provide Other Direction as Appropriate

Date: March 04, 2021

Recommendation:

Receive Update on Vacancy on the Community Advisory Committee, Appoint ad hoc Committee for Recruitment and Provide Other Direction as Appropriate

Background:

At the February 18^{th}, 2021 Community Advisory Committee ("CAC") Meeting, Member Bill Mattinson announced his resignation due to moving out of the area. Committee Member Mattison's departure creates an early vacancy for a term that was to end in 2023. At the end of 2021, there are 5 other CAC members who will be reaching the end of their terms, creating the need to fill six vacancies.

Per Section 4.5.1 of SCP's Third Amended and Restated Joint Powers Agreement (JPA), the CAC shall consist of a minimum of seven members and a maximum of eleven members.

4.5.1 Community Advisory Committee. The Board shall establish a Community Advisory Committee consisting of a minimum of seven members and a maximum of eleven members, none of whom may be members of the Board. In appointing members to the Committee, the Board shall use its best efforts to appoint a balanced, diverse group of individuals, a majority of whom represent the interests of customers as ratepayers (both residential and commercial/industrial), and including members having expertise in one or more of the areas of management, *administration, finance, or contracts (in either the public or private sector), infrastructure development, renewable power generation, power sales and marketing, energy conservation, public policy development, or public relations. The Board shall publicize the opportunity to serve on the Community Advisory Committee and shall appoint members of the Community Advisory Committee from those individuals expressing interest in serving, giving a preference to individuals who are customers of the CCA Program. Members of the Community Advisory Committee shall serve staggered four-year terms as determined by the Board of Directors. A member of the Community Advisory Committee may only be removed by the Board of Directors by a two-thirds vote as provided in Section 4.7.5. Each member of the Community Advisory Committee shall have one vote; a majority of members shall constitute a quorum; and a majority of a quorum is sufficient for committee action.*

Discussion:

The recruitment process for recruiting and selecting members for SCP's Community Advisory Committee takes time and is no small effort. Current CAC members wishing to continue service need to re-apply and are not guaranteed appointment. The recommended Board ad hoc committee would assist staff by reviewing outreach planning and providing input to ensure the most diverse pool of applicants are reached. Staff recommends a longer recruitment period than in past years to allow for even further outreach to anyone interested in applying to serve on the CAC. The recruitment would intend to fill the current vacancy and also the anticipated vacancies at the end of 2021. Following the initial recruitment process, the Board's ad hoc committee would review applications, hold interviews, and make recommendations for appointments to the Board later in 2021.

Fiscal Impact: None

Attachments:

2021 CAC Members with terms

Sonoma Clean Power

Community Advisory
Committee 2021
Members and Terms

NAME	SIGNED OATH	TERM	TERM ENDS
1. Dick Dowd	September 29, 2014	4- year term	End of 2021
~~2. Bill Mattinson~~ VACANT	October 17, 2013	4-year term	End of 2023
3. Karen Baldwin, VICE CHAIR	January 16, 2018	4-year term	End of 2021
4. Shivawn Brady	February 20, 2020	4-year term	End of 2023
5. Joel Chaban	January 16, 2018	4-year term	End of 2021
6. Anita Fenichel	February 16, 2016	4-year term	End of 2023
7. Mike Nicholls, CHAIR	February 16, 2016	4-year term	End of 2023
8. Patricia Morris	January 23, 2020	4-year term	End of 2023
9. Helen Sizemore	January 16, 2018	4-year term	End of 2021
10. Denis Quinlan	January 16, 2018	4-year term	End of 2021
11. Ken Wells	December 16, 2015	4-year term	End of 2023

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Staff Report – Item 09

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

From: **Nelson Lomeli, Programs Manager**
Carolyn Glanton, Programs Manager

Issue: **Receive Draft Programs Equity Framework and Provide Feedback and Direction as Appropriate**

Date: **March 4, 2021**

Recommendation: No action. Receive a presentation and discussion on the draft Programs Equity Framework and provide feedback and direction as appropriate.

Background: The Programs Team is seeking to support diversity, equity, and inclusion in our customer programs to serve all SCP customers, especially in historically underserved, underinvested, and marginalized communities.

Due to a long history of systemic oppression, Environmental and Social Justice (ESJ) Communities, defined by the California Public Utilities Commission as predominantly disadvantaged, low-income, and communities of color, have been underrepresented in the policy setting and decision-making process. ESJ Communities are being left out of California's transition toward a clean energy future, and yet, are the most susceptible to the devastating effects of the climate crisis.

To date, SCP has taken a number of efforts to help address inequities in our programs, including:

- Providing increased incentive amounts for low-income customers in Drive EV;
- Providing incentives for low-cost used electric vehicles (EVs);
- Providing incentives to non-profit organizations to purchase or lease EVs;
- Conducting targeted, on location Ride & Drive events for low-income customers

- Providing up-front incentives to lower the barriers to program participation for batteries installed for SGIP Equity Resiliency customers;
- Providing larger incentive amounts for low-income homeowners rebuilding through the Advanced Energy Rebuild program;
- Providing larger incentive amounts for affordable homes being built through the Advanced Energy Build program;
- Providing increased rebate amounts to low-income, disadvantaged, and rural locations in the Sonoma Coast Incentive Project to encourage infrastructure investments in these communities;
- Providing free Do-It-Yourself Energy & Water Saving Toolkits through the two library systems to help renters and homeowners decrease energy and water usage and costs; and
- Providing bilingual marketing and collateral materials, among other outreach efforts by the SCP Marketing Team.

We recognize that while these are good initial efforts, more is needed to achieve equitable outcomes and benefits in our communities, as we work to fulfill our mission of turning the tide on the climate crisis.

With this in mind, Programs Staff is beginning outreach to develop a Programs Equity Framework that is intended to define the methods in which programs will be considered and developed with the inclusion of ESJ communities. This is intended to be the blueprint for the development and implementation of programs. It is not intended to be a static document or intended to be a program itself.

In the development of the Framework, Staff are grateful for the Greenlining Institute's *"Equitable Building Electrification – A Framework for Powering Resilient Communities"* and we have used this valuable paper as a basis for this framework. The Greenlining Institute has a decades- long history of working for racial and economic justice in California, including with utilities at the California Public Utilities Commission.

The Framework is broken into five steps:

1. Assessing the Communities' Needs
2. Establishing Community-Led Decision-Making
3. Developing Metrics and a Plan for Tracking
4. Ensuring Funding and Program Leveraging
5. Improving Outcomes

We start by providing an overview of the steps and what we are trying to accomplish, before considering important questions. Lastly, we have drafted some recommendations that Staff can consider and leverage in program development and implementation.

These questions and recommendations are only the start of the conversation. True to the Framework, we want to ensure that the community is included in the development of the Framework. Staff started a robust public input process with the February 18 meeting of the Community Advisory Committee. The public process will continue as follows:

Date	Time	Event
~~February 18, 2021~~	~~1:00 PM~~	~~Community Advisory Committee Monthly Meeting~~
March 4, 2021	8:45 AM	Board of Directors Monthly Meeting
March 9, 2021	11:30 AM – 1:30 PM	Public Input Workshop #1
March 18, 2021 18 de marzo del 2021	5:30 – 7:30 PM (17:30 – 19:30)	Public Input Workshop #2 in Spanish Taller de aportes públicos en español
March 25, 2021	5:30 – 7:30 PM	Public Input Workshop #3
April 15, 2021	1:00 PM	Community Advisory Committee Monthly Meeting
May 6, 2021	8:45 AM	Board of Directors Monthly Meeting

In addition to the public meetings, Staff will invite written public comment to be submitted on our website starting March 9, 2021, and last through April 1, 2021.

We value all feedback and want to provide the opportunities to have the public be heard, engage with SCP, and influence the framework we build.

Discussion: Staff is interested in receiving feedback from the Board on the following questions:

- What are we missing from the Framework? What steps have we not considered?
- What Community Based Organizations should staff work with?
- How can we reach "not yet reached" and "hard to reach" populations?
- How can we best engage and hear from people who are very different from the people who usually attend and comment in SCP public meetings? Is there a better way to engage than the proposed workshops?
- Who do we need to reach out to and invite to the workshops?
- How can the Board help us share the workshop invitations?

Fiscal Impact: None

Community Advisory Committee Review: The draft Framework was presented to and reviewed by the CAC at their February 18, 2021 meeting. The Committee provided valuable feedback, discussing how to reach communities with lack of broadband and internet, and suggesting the inclusion of younger people as they will be the next generation to tackle the climate crisis. The Committee recommended organizations like LandPaths, the Economic Development Board, Latino First in Mendocino, Mendonoma Health Alliance, City of Petaluma Climate Action Commission, Los Cien, and La Luz Center. The feedback received is valuable and we thank the Committee for their suggestions.

Attachments:
Draft Programs Equity Framework

Programs Equity Framework

Draft February 2021

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Acronyms

CBO Community Based Organization

CEC California Energy Commission

CPUC California Public Utilities Commission

ESJ Environmental and Social Justice Community

EV Electric Vehicle (includes battery electric and plug-in hybrid vehicle)

LIFT Low-Income Family and Tenants

PG&E Pacific Gas & Electric

SCP Sonoma Clean Power

Acknowledgements:

Sonoma Clean Power would like to acknowledge that the base for this plan was created by the Greenlining Institute in their document entitled *"Equitable Building Electrification – A Framework for Powering Resilient Communities"*.

We greatly appreciate the foundational work that the Greenlining Institute is doing in this space.

Programs Equity Mission Statement:

Sonoma Clean Power's (SCP) customer programs shall be designed, implemented, and evaluated with the goal of being practical and inclusive of Environmental and Social Justice (ESJ) Communities.

Environment and Social Justice Communities

The California Public Utilities Commission (CPUC) defines ESJ Communities as communities where residents are:

- predominantly people of color or living on low incomes; (or fixed incomes?)
- underrepresented in the policy setting or decision-making process;
- subject to disproportionate impact from one or more environmental hazards; and
- likely to experience disparate implementation of environmental regulations and socioeconomic investments.

Executive Summary:

Due to a long history of systemic oppression, ESJ Communities have been underrepresented in the policy setting and decision-making process. ESJ Communities are being left out of California's transition toward a clean energy future, and yet, are the most susceptible to the devastating effects of climate change.

This document is intended to define a methodology for the inclusion of ESJ communities in SCP's customer programs to ensure they are not left behind. SCP seeks to offer customer programs that serve all our customers and also seeks to invest additional time and funds to ensure that our programs create equity.

Three-Dimensional Approach:

1. Prioritize investments that close historic equity gaps in a way that will improve access to workforce training and jobs for the benefit of the local economy and improve environmental health for underinvested communities.
2. Create authentic partnerships that focus on vulnerable communities, support community-based participation, and result in shared decision-making, while also strengthening the health and well-being of the entire region.
3. Mitigate disparities likely to emerge in the future by leveraging funding for long-term community health and organizational capacity. Also, by incorporating metrics and evaluation to promote adaptable and effective implementation.

Early Equity Actions Taken to Date:

- Providing increased incentive amounts for the lease or purchase of new and used electric vehicles (EVs) as part of the Drive EV program;
- Providing incentives to non-profit organizations to purchase or lease EVs;
- Conducting target, on location Ride & Drive events in partnership with low-income employers;
- Providing up front incentives to lower the barriers to program participation;

- Providing larger incentive amounts for low-income homeowners rebuilding through the Advance Energy Build;
- Working directly with grassroot organizers and participating in fire recover events to encourage rebuilding energy-efficient or all-electric homes;
- Providing increased rebate amounts to low-income, disadvantaged, and rural locations in the Sonoma Coast Incentive Project to encourage infrastructure investments in these communities';
- Providing free Do-It-Yourself Energy & Water Saving Toolkits through the two library systems to help decrease energy and water usage; and
- Providing bilingual marketing and collateral materials, among other outreach efforts by the SCP Marketing Team.

We recognize that while these are good initial efforts, more is needed to be done as we work to fulfill our mission of turning the tide on the climate crisis.

This Framework outlines the steps we will take to ensure that equity is taken into account when developing new programs.

Step 1 - Assess Community Needs and Set Goals

Prior to designing programs, staff will conduct community needs assessments to identify communities' unique needs, the underlying reasons or causes of issues, existing barriers, and the types of resources that are already available to address issues. Keeping in mind that various communities, even neighborhoods, should not be treated the same as they have different characteristics and needs, a community needs assessment is necessary so that stakeholders can conduct a meaningful inquiry into the possible benefits that programs can deliver to ESJ communities and the challenges that residents will face in switching from fossil fuels to clean energy, improving energy-efficiency, and reducing cost. Assessing the needs and barriers of renters since many bear the higher cost burden of inefficient buildings and appliances and lack of authority to participate in programs.

Questions that should be considered in this step include:

- What kind of existing resources does this community have (this includes community-based or faith-based organizations that serve the community, free or low-cost social services programs, after-school programs for kids, energy-related programs for low-income or disadvantaged communities, or workforce development programs for unemployed adults)?
- What are the Community's perspectives on Sonoma Clean Power and how does the community engage with Sonoma Clean Power now? Is Sonoma Clean Power a trusted organization?
- What barriers prevent residents in this community from participating in programs?
- Do residents have access to broadband internet?
- What do people care about and which issues do they want to prioritize?
- What is the benefit for this community to be associated with SCP? Where is the relevancy?
- How much do people already know about programs offered? Who has access to this information and who does not?
- Who do people in this community trust? Where do they get their information? Where do they go when they have questions?
- Who has participated in other energy programs and who has not? Of those who have not, why haven't they?
- Which communities should be prioritized and what would it take to ensure that they benefit from a program?
- Which data must be collected and considered for this assessment?
- What would a community needs assessment look like? Will it reach the intended audience?
- How can Sonoma Clean Power programs strengthen the broader North Bay community?

Equity indicators must also be established to ensure that investments that close historic wealth and environmental gaps are targeted for ESJ residents. Equity indicators can be used in two ways:

1. They can be used to identify specific communities where program investments should be prioritized.
2. They can be used to measure the impacts of investment in ESJ communities.

For example, the California Energy Commission's (CEC) Energy Equity Indicators report identifies a set of equity indicators that the agency may use to track and measure investment, access, and resilience resulting from clean energy programs.

The community assessment will lead to a greater understanding and creation of equity-driven goals. The goals must be broad enough to encompass an issue or address a need within a community but also narrow enough to help determine the appropriate equity indicators, timing and level of funding, and metrics needed to track impacts.

Recommendations

- Leverage the **Community Engagement and Education Program** from SCP's Marketing Department to partner with locally trusted community-based organizations (CBOs) and local government to engage residents of ESJ communities and to make engagement opportunities as accessible as possible.
    - Collaborate with a diverse group of CBOs, local governments, and other partners,
    - Identify how SCP can help CBOs and local governments achieve their goals and objectives.
    - Identify what SCP can offer to help the community in exchange for their time.
- Coordinate with other SCP Department on outreach and engagement and leverage the work they are doing to inform programs.
- Identify the most pressing community needs, including determining the residents' fuel source(s), access to clean energy and energy efficiency programs, and non-energy issues such as housing, health, food, and transportation needs and identify how those needs intersect with energy and climate change.
- Identify the historical structural, economic, and logistical barriers of the communities in general, as well as barriers to upgrading homes to be resilient, efficient, electric, and affordable. Identify strategies to overcome these barriers while keeping residents in their homes.
- Establish equity-driven goals that address the communities' needs.

Step 2 – Establish Community Led Decision Making.

Community leaders and advocates face an exceptional challenge to get the attention of decision-makers and help them understand the unique needs of their families or communities. At the same time, decision-makers (*e.g., government, PG&E, SCP*) create new programs that directly affect the lives of impacted communities without their voices being heard. At the heart of community-driven decision-making lies the key environmental justice principle that those closest to the problem are those closest to the solution. Robust community input and engagement improves local buy-in and makes programs better at reaching the communities they intend to reach. Further, bringing community voices to the table helps to demystify the linkages between energy bills, indoor and outdoor air quality, health, local jobs, and community resilience. Developing partnerships with local agencies and CBOs will take time. It is important to build trust with community leaders and advocates, understanding that it may take time given the history of not being heard.

Questions that should be considered in this step include:

- Which CBOs that have been serving the residents should be contacted to support this effort (this may include social services organizations, energy efficiency providers, and workforce development organizations)?
- What kind of resources or support do the CBOs need?
- When, where, and in what context should we engage residents on the issue of equitable program design?
- Are all the relevant stakeholders at the table?
- What level of technical assistance do the CBO reps and residents need in order to fully engage in the program topic?
- What should decision-making processes look like?

How can SCP support the mission of CBOs?Recommendations

- Develop trust by making time to talk to people early and often and leveraging their feedback. Effective and rooted community organizing is very slow work.
- Be Inclusive. Meet communities where they are. Attend existing meetings, workshops, and opportunities for engagement in accessible places, at convenient times, with appropriate accommodations, including Spanish language. Create meeting opportunities where they do not already exist.
- Seek to minimize the burden of engagement on community members. Investigate providing compensation to community members for their significant contributions of time, whether monetary or other in-kind value.
- Seek to minimize the burden of feeling like community members are the only ones to solve the problem.
- Partner with trusted and experienced local community workers, especially community-based organizations. Stretch and work with new players and foster unexpected partnerships.
- Be Innovative. Other issues may be identified that SCP may be able to help address.

- Listen actively. Trust that community members are experts on their stories, histories, challenges, and priority solutions. Listen first before approaching community members with any solutions. Listen for needs and not for program ideas/feedback.
- Be Practical. Make improving people's actual lives (air, health, home, family, community) the central priority. Technical expertise should respond to community needs and priorities.
- Develop a decision-making process with community members and work with the community during program design.

Step 3 – Develop Plan and Metrics for Tracking

Metrics are essential for assessing the effectiveness of equitable program efforts in meeting established program goals. Metrics should be used for all three activities involved in advancing programs.

1. **Policy adoption:** Metrics should articulate the principles being embraced and set target benchmarks or expectations for what progress is desired.
2. **Program Design:** Metrics should help specify program objectives, decide program parameters, and target audiences, and determine the necessary data collection schemes to inform evaluation.
3. **Post-implementation:** Metrics should largely support program evaluation, execution effectiveness, and expenditure value—as feedback to policy and program oversight.

Because equitable program efforts focus on reducing energy and non-energy hardships that affect ESJ communities, metrics cannot just measure energy savings monetarily or by greenhouse gas emissions. Stakeholders must also be open to both quantitative and qualitative metrics. Without qualitative measures there will be no consideration of quality-of-life type of improvements in program design. Lastly, tracking the metrics' progress is a significant programmatic tool that must be designed and planned at this early stage. Tracking will allow stakeholders to reach a deeper understanding of the challenges and successes of programs. Tracking also identifies areas for improvement and allows for regular and transparent reporting to the public to improve accountability.

Questions that should be considered in developing metrics and a tracking plan include:

- What quantitative and qualitative benefits can a program deliver to ESJ communities?
- What kind of baseline data is needed to compare against our metrics?
- Who should conduct tracking?
- How and at what interval should data be collected and reported? Are certain communities or individuals excluded by the data collection method chosen.

Recommendations

- Identify metrics, including baseline or control group, that will be tracked and measured based on the goals and indicators.
- Identify and establish both quantitative *(e.g., pounds of greenhouse gas saved)* and qualitative *(e.g., increased comfort)* metrics.
- Develop a plan to track metrics. Ensure that this plan maximizes the best feedback loop to improve current and future program design and provides transparency.
- Be aware that data collection may raise trust issues. Be flexible with collecting data and ensure data privacy and protection.

- When appropriate, utilize trusted outside entities to measure, audit and/or report metrics.

Step 4 – Ensure Funding and Program Leverage

Funding for energy efficiency and clean energy programs shall be directed to ESJ communities. Low-income energy programs struggle to maximize benefits to all qualifying households. Additionally, barriers to program integration and lack of information on how to leverage funding limit opportunities to streamline services and lock complementary funding sources into silos. We must encourage coordination which combines low-income and non-low-income energy programs along with public health and climate programs. California needs to incentivize building owners to invest in energy efficiency and electrification, without the risk of increasing costs and displacing ESJ renters. We also need to determine how many ESJ residents do not qualify for low-income energy programs and identify ways to meet their needs.

Questions to consider in this step:

- What other programs or funds exist to serve the same community and meet similar needs?
- Are there other organizations that are already doing work in the community we can partner with to augment their work and implement solutions?
- Will a new program align with other programs and make leveraging easy, or will it become yet another silo?
- How can non-low-income programs expand their reach and services to low-income populations?
- What other kinds of programs, like MCE's Low-Income Family and Tenants (LIFT) pilot, exists that leverage various programs and agencies?
    - o How can a public agency like SCP leverage these programs?
- What role does financing have in increasing building electrification in ESJ communities, especially for households that do not qualify for free upgrades?
- Are there existing SCP services or programs that can be leveraged to financially support ESJ communities?

MCE Low-Income Family and Tenants (LIFT) Pilot Program

In 2017, the CPUC awarded $3.5 million to MCE to conduct a two-year pilot program to better serve income-qualified multifamily communities.

Qualified properties received:

- $1,200 per unit in addition to rebates provided by MCE's Multifamily Energy Savings Program to lower the cost of common area upgrades in deed-restricted buildings.
- Referrals to other programs to enable additional savings
- Low-cost high efficiency heat pump water heating and space conditioning

Recommendations

- Establish research funding and conduct effective research.
- Identify available sources of funding for energy-related or building-related programs.
- Identify gaps in funding for needs that should be addressed, including tenants (renters) and commercial and business owners.
- Create a new program that integrates new and current energy, climate, and health programs available to ESJ communities to maximize benefits.

- Find ways to support ESJ households through alternative financing such as tariffed on-bill financing.

Step 5 – Improve Outcomes

Performance of any given program must be measured to ensure that it is delivering the intended impact. To determine the equitable impacts of programs, measurement and evaluation efforts must be based on three principles:

1. Document and assess the energy and non-energy impacts of the program on ESJ communities.
2. Provide programmatic transparency to hold both programs and program administrators accountable to achieving the goals the program was set to meet, using equity metrics; and
3. Ensure that there is a continuous feedback loop to improve current and future programs' reach and impact in ESJ communities.

Questions to consider in this step:

- Are there improvements post-program participation? How much progress has been made between the baseline data and the post-implementation data?
- Are the results on track for achieving short and long-term goals? What factors could have influenced the change between the baseline and post-implementation metrics?
- Has the program reached all the communities it was intended to reach? If not, what adjustments need to be made so that the next program cycle is more effective?
- Has the program delivered all the benefits it was intended to deliver? If not, why not, and what can be improved?
- Does the program mitigate unintended consequences like displacement?
- How should the evaluation results be framed and communicated in order to reach important stakeholders?

Recommendations

- Create a calendar of scheduled updates on tracking and evaluation.
- Ensure that the right people receive the evaluation results. Provide time to solicit the audience's input because they may lead to further clarity and improvement in the tracking, evaluation, and reporting process.
    - Ensure that the community feels heard and understood when feedback is not incorporated.
- Develop an immediate feedback loop for lessons learned and adjust existing programs and a longer and more comprehensive feedback process to change and inform the implementation and evaluation of future programs.
- Highlight and share important data relevant for strategic and budget planning processes.
- Collaborate with community organizations and local government to share results that may be connected to achieving their goals.