



**AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, OCTOBER 7, 2021
8:45 A.M.**

******AB 361******

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

CONSISTENT WITH THE PROVISIONS OF AB 361, MEMBERS OF THE BOARD OF DIRECTORS WILL PARTICIPATE IN THE OCTOBER 7, 2021 MEETING BY TELECONFERENCE. 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://us06web.zoom.us/j/83197692949>
 - Telephone number: 1 (720) 707 - 2699
 - Meeting ID: 831 9769 2949

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 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 up to 300 words.

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.

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

CALL TO ORDER

BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve August 5, 2021 Draft Board of Directors Meeting Minutes
(Staff Recommendation: Approve) - pg. 7
2. Receive Notice on Starting Contract Negotiations with Calpine Energy Solutions, LLC for Data Management Services
(Staff Recommendation: Receive and File) - pg. 13
3. Approve Updated Terms and Conditions Suspending Opt-Out Fees for 12-Month Pilot Program (Staff Recommendation: Approve) - pg. 17
4. Approve Policy B.1 Financial Policy and CEO Spending Authority
(Staff Recommendation: Approve) - pg. 25
5. Approve an Investment Policy for Sonoma Clean Power
(Staff Recommendation: Approve) - pg. 27
6. Adopt Resolution Attesting to the Accuracy of Sonoma Clean Power Authority's 2020 Power Source Disclosure Annual Reports for CleanStart and EverGreen Products and 2020 Power Content Label
(Staff Recommendation: Approve) - pg. 35
7. Adopt Resolution Authorizing Virtual Board and Committee Meetings Pursuant to AB 361 (Staff Recommendation: Approve) - pg. 41

BOARD OF DIRECTORS REGULAR CALENDAR

8. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File) - pg. 47
9. Receive Informational Report on the 3rd Annual Spirit of Entrepreneurship Grant (Staff Recommendation: Receive and File) - pg. 67
10. Receive Update on Empower (SCP's Community Engagement, Education, and Outreach) (Staff Recommendation: Receive and File) - pg. 73
11. Receive Legislative and Regulatory Updates and Provide Direction as Appropriate (Staff Recommendation: Receive and File) - pg. 89
12. Approve Resolution Creating a Geothermal Opportunity Zone
(Staff Recommendation: Approve) - pg. 99

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(Comments are restricted to matters within the Board's jurisdiction. Please be brief and limit spoken comments to three minutes, or 300 words if written.)

CLOSED SESSION

13. Conference with Legal Counsel – Anticipated Litigation
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: 1 case - pg. 111

ADJOURN

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COMMONLY USED ACRONYMS AND TERMS

CAC	Community Advisory Committee
CAISO	California Independent Systems Operator
CCA	Community Choice Aggregation
CEC	California Energy Commission
CleanStart	SCP's standard service
CPUC	California Public Utility Commission
DER	Distributed Energy Resource
DR	Demand Response
ERRA	Energy Resource Recovery Account
EverGreen	SCP's 100% renewable, 100% local energy service
Geothermal	A locally-available, low-carbon baseload renewable resource
GHG	Greenhouse gas
GRC	General Rate Case
GridSavvy	The GridSavvy Community is SCP's demand response program which offers incentives on smart devices like electric vehicle chargers, smart thermostats, and heat pump water heaters. These devices can then be controlled via a signal to respond to grid needs.
IOU	Investor Owned Utility (e.g., PG&E)
IRP	Integrated Resource Plan
JPA	Joint Powers Authority
MW	Megawatt (Power = how fast energy is being used at one moment)
MWh	Megawatt-hour (Energy = how much energy is used over time)
NEM	Net Energy Metering
NetGreen	SCP's net energy metering program
PCIA	Power Charge Indifference Adjustment (<i>This fee is intended to ensure that customers who switch to SCP pay for certain costs related to energy commitments made by PG&E prior to their switch.</i>)
ProFIT	SCP's "Feed in Tariff" program for larger local renewable energy producers - Fully subscribed
RA	Resource Adequacy - a required form of capacity for compliance
RPS	The Renewables Portfolio Standard (RPS) is a California regulatory program that sets continuously escalating renewable energy procurement requirements for the state's electricity suppliers. Electricity suppliers must procure a verified percentage of total electricity through RPS-certified renewable facilities.
REC	Renewable Energy Credit - process used to track renewable energy for compliance in California.
SCP	Sonoma Clean Power
TOU	Time of Use, used to refer to rates that differ by time of day and by season

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**DRAFT MEETING MINUTES
BOARD OF DIRECTORS MEETING
THURSDAY, AUGUST 5, 2021
8:45 A.M.**

******GOVERNOR'S EXECUTIVE ORDER N-08-21******

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

CONSISTENT WITH THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDER N-08-21 WHICH SUSPENDED CERTAIN REQUIREMENTS OF THE BROWN ACT, MEMBERS OF THE BOARD OF DIRECTORS PARTICIPATED IN THE AUGUST 5, 2021 MEETING BY TELECONFERENCE.

CALL TO ORDER

Chair Bagby called the meeting to order at approximately 8:48 am.

Board Members present: Chair Bagby, Vice Chair King, and Directors Landman, Peters, Elward, Slayter, Fudge, Gjerde, and Hopkins.

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Stephanie Reynolds, Director of Internal Operations; Neal Reardon, Director of Regulatory Affairs; Rebecca Simonson, Director of Planning & Analytics; Chad Asay, Program Manager; Scott Salyer, Program Manager; Ryan Tracey, Senior Energy Analyst; Carole Hakstian, Senior Risk Officer; and Joshua Nelson, Special Counsel.

BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve July 1, 2021 Draft Board of Directors Meeting Minutes
2. Approve an Extension of Customer Service Policy A.6a – 2020 COVID-19 Emergency Consumer Protection Policy

Public Comment: None

Motion to Approve the August 5, 2021 Board of Directors Consent Calendar by Director Peters

Second: Director Fudge

Motion passed by roll call vote: 9 – 0 – 0

BOARD OF DIRECTORS REGULAR CALENDAR

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

Geof Syphers, Chief Executive Officer, led off the report with an update that the Mendocino County Board of Supervisors voted on and passed the Carbon Free Mendocino resolution; Director Gjerde provided additional details. The resolution sets aside money for funding carbon reduction projects in Mendocino County.

CEO Syphers announced the impending retirement of Cordel Stillman, Director of Programs, whose final day with SCP will be August 31st. Mike Koszalka, Chief Operating Officer, provided staffing updates. The Advanced Energy Center was separated from the Programs Department and Chad Asay, one of SCP's Program Managers, accepted the role of Director of the Advanced Energy Center. Rebecca Simonson, formerly Director of Planning & Analytics, accepted the role of Director of Programs, starting September 1st.

CEO Syphers commended Ryan Tracey, Senior Energy Analyst, for his work in helping to identify local resources to help phase out reliance on natural gas and look into an opportunity for adding more geothermal power in the region. Staff will bring forward more information on the topic in the future.

Director Reynolds reminded the Board that Staff is still recruiting to fill vacancies on the Community Advisory Committee.

Rebecca Simonson, Director of Planning & Analytics, provided information on the Site Leasing Interest Program (SLIP) which resulted as part of the EverGreen Local Resource Plan (LRP) to engage with certain industrial, municipal, and commercial customers that have previously developed but currently unused sites that could be used for renewable energy development. Sites must meet certain criteria to qualify for the program which will be kept open through December 31, 2021, or until the need is fulfilled.

COO Koszalka gave an update on behalf of the Marketing team on the Mendonoma Campaign, the influencer campaign using Surf Market and its owner, Steve May, to help promote EverGreen among businesses along an area of the Sonoma & Mendocino coasts. Staff recently engaged with 4th Street Social Club, a downtown Santa Rosa restaurant, to expand the EverGreen campaign. He continued with an update that while events have been impacted due to the pandemic, some events have been taking place in a scaled-down manner, including the Sonoma County Fair where staff had a photo booth and provided over 500 free photos to visitors.

Director Reynolds continued with updates on the Advanced Energy Center -

the Center is hitting the visitor goals that were set earlier in the year. Events and meetings are permitted to take place in the Center and a variety of groups are scheduled over the coming months. A local chef and culinary arts teacher, Derek Corsino, visited the Center and an induction cooking class was filmed in the Advanced Energy Center's kitchen.

Due to the program's popularity, the Bike Electric program reopened, and staff contacted waitlisted customers. Notices will also go out to CARE/FERA customers informing them of additional voucher availability.

Vice Chair King asked about the geothermal opportunity that CEO Syphers introduced, specifically if there are any other locations in the United States or in the world that have used some of the technologies that we would be researching. CEO Syphers answered that locations are limited, and this would be a "new frontier" which means that SCP would likely seek grant funding, for example, from the Department of Energy, to cover the above-market costs. Ryan Tracey gave additional details on where the research has been focused in the United States and highlighted the fact that the Geysers is the largest geothermal resource in the world and is optimal for a lot of the planned research.

Director Slayter commented on a recent tour of the Advanced Energy Center that was given to the Sebastopol Climate Action and asked if Mr. Asay received their letter with constructive feedback. Mr. Asay replied that he reviewed the letter together with the Advanced Energy Center team and explained that some recommendations mentioned in the letter are already in development.

COO Koszalka gave a brief update on SCP's financial status and documents contained in the packet.

Public Comment: None

4. Integrated Resource Planning (IRP) Portfolio Scenario Modeling

Ryan Tracey, Senior Energy Analyst, gave a presentation on the second part of the Integrated Resource Planning (IRP) process which covers Portfolio Scenario Modeling. Slides from the presentation were included in the meeting packet materials. This presentation was a condensed version of that given at a Community Advisory Committee meeting, which served as a public input portion of this process. He also gave some information on the modeling tool being used, PowerSimm, that will be further discussed in item #5. At the end of the presentation, CEO Syphers highlighted the value of this type of planning.

Director Peters asked if it's possible to enter new emerging technologies into these models. Mr. Tracey answered yes and further explained some of the options that can be tested.

Director Slayter posed questions about grid reliability and the potential for forecasting the grid structure and operations. CEO Syphers responded with information about the line undergrounding efforts that PG&E is working on.

Director Hopkins thanked Mr. Tracey and Staff for the presentation and asked how elasticity of demand and cost sensitivity play into the modeling factors. Mr. Tracey, CEO Syphers, and COO Koszalka all provided answers about the modeling possibilities.

Chair Bagby complimented Director Simonson and Mr. Tracey on the amount of outreach and public input that was sought for this process. Director Simonson thanked additional staff members across various SCP departments who contributed to these efforts as well.

Public Comment: None

5. Delegate Authority to the Chief Executive Officer to Execute a Three-Year Software License, Maintenance, and Support Agreement with Ascend Analytics, LLC for a Contract Total of \$557,479 and an Additional \$67,481 Spending Authority Under the Agreement

Rebecca Simonson, Director of Planning & Analytics, presented this item to the Board. The agreement with Ascend Analytics, LLC is for the PowerSimm software tool that was introduced during item #4 which Staff has been using already as part of a 90-day trial period that began on May 1, 2021. CEO Syphers also explained that this kind of modeling tool is beneficial from a risk management standpoint.

Director Landman asked: what is the likelihood that the tool will pay for itself? CEO Syphers responded that it's 100% because it has already happened. Director Simonson and Mr. Tracey explained how use of the modeling tool during the trial period helped CC Power make informed decisions on long-duration storage, and that there have been other instances of this as well.

Director Peters asked about the \$67,481 in additional spending authority being requested under the agreement. Director Simonson explained that it's a pre-authorization to spend up to that amount without the need to seek Board approval each time an add-on node is desired.

Public Comment: None

Director Gjerde left the meeting at approximately 10:24 a.m.

Motion to Delegate Authority to the Chief Executive Officer to Execute a Three-Year Software License, Maintenance, and Support Agreement with Ascend Analytics, LLC for a Contract Total of \$557,479 and an Additional \$67,481 Spending Authority Under the Agreement by Director Landman

Second: Director Elward

Motion passed by roll call vote: 8 - 0 - 0

Chair Bagby called for a 5 minute recess before continuing with the next item.

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

Neal Reardon, Director of Regulatory Affairs, began the report with a callback to a topic that Director Hopkins asked about during the last meeting on PG&E's General Rate Case application, the third item in the written report. SCP is submitting a protest to the application with a request for hearings.

One additional update that was not included in the meeting packet was in regard to the joint rate mailer. Director Reardon shared that a group of CCA's planned to file a petition to modify the joint rate mailer which is the postcard that customers receive comparing SCP's rates against PG&E's, along with portfolio information, that's required each year. The petition seeks to change the requirement to allow a CCA to put the information online after three continuous years of operation instead of sending a paper mailer. CEO Syphers further explained that the required format of the postcard is confusing, and the changes being requested will allow customers to see all of the information and in a more useful format.

Vice Chair King asked about SB 18 and if any entity is producing green hydrogen at this time. CEO Syphers said yes, but not on a commercial scale, and gave some additional background on the topic.

Chair Bagby asked about the PG&E distribution rates increases and the impacts on municipalities and direct access customers. Director Reardon answered that direct access customers would be impacted the same way CCA's would be, but he would have to consider the impact on municipalities further.

Public Comment: None

7. Approve Performance-Based Salary Increase and Annual Contract Goals for CEO Syphers

Special Counsel for Sonoma Clean Power, Josh Nelson from BBK Law, introduced this item as presented in the meeting packet, which sought a performance-based salary increase for CEO Syphers as well to establish annual contract goals. Chair Bagby added that the contract goals came out of a prior closed-session meeting discussion. Mr. Nelson read through each of the goals and then CEO Syphers shared that he is happy with each of these goals before giving additional information pertaining to goal #8:

"Provide the Board with options for aggressive long-term climate goals, including an option for achieving 24/7 carbon-free energy by 2030."

Director Peters left the meeting at approximately 10:56 a.m.

Director Landman suggested to move goal #8 to goal #1 and shift the rest downward to indicate the Board's interest and priority of the item.

Public Comment: None

Motion to Approve Performance-Based Salary Increase and Annual Contract Goals Amended to Move Goal #8 to #1 for CEO Syphers by Director Fudge.

Second: Director Landman

Motion passed by roll call vote: 7 - 0 - 0

Chair Bagby concluded the item by thanking the Board for their thoughtful discussion in establishing these goals for CEO Syphers. CEO Syphers echoed the sentiment.

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

Chair Bagby announced a disaster preparedness event co-hosted by the City of Cloverdale and the Cloverdale Citrus Fair on Saturday, August 7, 2021.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

Public Comment: None

ADJOURN

Chair Bagby reminded the Board and the public that there will be no Board of Directors meeting in September and the next one will be held on October 7th before adjourning the meeting at approximately 11:04 a.m.



Staff Report - Item 02

To: Sonoma Clean Power Authority Board of Directors

From: Erica Torgerson, Director of Customer Service

Issue: Receive Notice on Starting Contract Negotiations with Calpine Energy Solutions, LLC for Data Management Services

Date: October 7, 2021

Recommendation:

No action required at this time. A full contract for data management services will be brought to this Committee for consideration in spring 2022.

Background:

On November 14, 2013, Sonoma Clean Power executed a Professional Services Agreement with Noble Americas Energy Solutions, LLC (now Calpine Energy Solutions, LLC) for data management services. In September 2017, SCP and Calpine Energy Solutions (Calpine) extended its relationship through a Second Addendum to its Professional Service Agreement. The Second Amendment was presented to the Community Advisory Committee on July 11, 2017. The Committee unanimously recommended the Board of Directors approve the Second Amendment, which they did on August 3, 2017.

Calpine provides SCP with billing and data services, including receiving customer usage from PG&E, applying SCP rates, and returning customer billing costs back to PG&E to be placed on bills. This includes billing over 230,000 transactions each month with an accuracy rate more than 99.99%. In addition, Calpine works with a third party to provide local contact center services for SCP customers.

SCP's current contract with Calpine expires April 30, 2022.

Discussion:

Currently there are three data management service organizations serving Community Choice Aggregators (CCAs) in California: GridX, Sacramento Municipal Utility District (SMUD), and Calpine. GridX provides data services for one CCA (Central Coast Community Energy (3CE)), SMUD provides service to two CCAs (Valley Clean Energy and East Bay Community Energy), and Calpine serves the remaining CCAs.

In evaluating SCP's options for data management services, SCP has known the market players of Calpine, GridX, and SMUD for years. Calpine offers an advantage over its competitors with its economies of scale, CCA specific history, and working relationship with PG&E. As the second CCA in California after Marin Clean Energy (MCE), SCP and MCE worked closely with Calpine to improve and grow its service for CCAs, including improving transparency, the Customer Relationship Manager platform, call center services, data flow, SQMD services, and more. By serving 20 CCAs, Calpine can offer a wider breadth of services to its clients and the ability to do big projects such as bill protection for residential customers' transition to time-of-use rates.

For these reasons, SCP is not issuing a request for proposal, but negotiating a new contract with Calpine that includes a price reduction, stronger service-level agreements for the contact center, and the option to bring additional contact center services in-house. This will allow uninterrupted service to SCP customers during a period of considerable complexity including bill protection for residential customers transitioned to time-of-use rates, tracking the Arrearage Management Plan (AMP) enrollees for bill forgiveness, and verification of arrearages for the California Arrearage Payment Program (CAPP) to provide financial assistance to SCP customers with pandemic past-due balances.

A contract with Calpine does not preclude SCP from transitioning to a new data management service provider or bringing data management services and/or contact center services in-house to SCP in the future.

Community Advisory Committee

SCPA's Community Advisory Committee received notice on Starting Contract Negotiations with Calpine Energy Solutions, LLC for Data Management Services at the September 16, 2021 meeting. No issues or objections were noted.

Fiscal Impact:

To be determined in a final contract.

Attachments:

None.

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Staff Report - Item 03

To: Sonoma Clean Power Authority Board of Directors
From: Danielle McCants, Senior Customer Care Specialist
Issue: Approve Updated Terms and Conditions Suspending Opt-Out Fees for 12-Month Pilot Program
Date: October 7, 2021

Recommendation

Approve updated Terms and Conditions and CleanStart Tariff for a limited twelve-month pilot program starting January 1, 2022, in which the current one-time termination fee of \$5 per residential account or \$25 per commercial account for opt outs outside the first 60 days of SCP service is suspended. Upon the conclusion of pilot on December 31, 2022, Terms and Conditions and CleanStart Tariff will revert back to the previously approved version (i.e., \$5/\$25 termination fee) unless the Board votes to continue the practice.

Background

In an effort to identify and manage operational risk, Staff reviewed and analyzed types of reasons customers opt out of SCP service and how to retain more customers. During this process, Staff looked at historical opt outs and opt out reasons and identified a noticeable trend for the duration a customer is active with SCP prior to opting out. In both 2020 and 2021, opt out end dates significantly tapered off after the seven-to-eight-week mark indicating that customers may be most influenced within their first 60-days of service.

During the first 60-days of service, customers receive two move-in notices to inform them that they have started electric generation service with SCP. Within those notices is information on who SCP is, the benefits of being an SCP customer, service options (CleanStart, EverGreen, or Opting Out), and includes our current Terms and Conditions of service. Both notices explain that customers who wish to opt out of SCP service can do so at no fee within the first 60 days of receiving service and that opt outs following those 60 days will be charged a one-time termination fee. The \$5

termination fee (\$25 for commercial) is collected to cover processing and administration costs.

Staff looked at the breakdown by customer class (residential vs commercial), both following similar trends to the 2020 and 2021 years. Residential opt outs for January 2020 through June 2021 peak at week three then taper off significantly after 8 weeks of service. Commercial opt outs for the same period both peak and taper off at week six.

With a majority of opt outs happening within the first 60 days of service and 37% (in 2021) due to "rate or cost concern", staff proposes the approval of updated Terms and Conditions and CleanStart Tariff to suspend the termination fee under a pilot term with the purpose of identifying whether the termination fee contributes to customers choosing to opt out.

Discussion

The goal of the pilot is to determine whether the termination fee has an impact on opt outs. By eliminating the fee on a trial, fixed period, staff can extrapolate whether opt outs increase, decrease, or are unaffected. It's recommended that the trial include both residential and commercial customers. Including both account types provides a holistic approach, allows Staff to see whether there's an impact on each group, and allows for consistency across web messaging and noticing.

If approved, for the duration of the pilot, SCP's Terms and Conditions, CleanStart Tariff, move in notices, talking points, and Customer Service Representative (CSR) script would need to be updated. There may be additional process revisions needed by Calpine, SCP's billing vendor, that would need to be investigated. A duration of 12-months was chosen as a shorter duration may skew results due to seasonal bill impacts.

Results would be analyzed on a rolling 6-month average. A decrease in the percentage of opt outs within the first 8-weeks (compared to move in notices) would be indicative that the termination fee is a factor in increasing opt outs.

Upon the conclusion of the pilot, Terms and Conditions and CleanStart Tariff will revert to the previously approved fees (i.e., \$5/\$25 termination fee) unless the Board votes to continue.

Community Advisory Committee

SCPA's Community Advisory Committee approved the recommendation to update Terms and Conditions and CleanStart Tariff for a limited twelve-month pilot program starting January 1, 2022, unanimously.

Fiscal Impact

The expected direct cost of suspending opt-out fees is \$14,420 per year. However, the actual financial impact could be better or worse depending on whether more customers choose to stay or opt out, and that financial impact is likely to be larger in magnitude than the direct impact of suspending the fees.

Year	Avg. Weekly Opt Out	Residential Opt Outs	Commercial Opt Outs	Revenue Collected
2020	41.62	1975	189	\$14,600
	Avg. Weekly Opt Out (YTD)	Residential Opt Outs (Estimated)	Commercial Opt Outs (Estimated)	Estimated Revenue Collected
2021	39.9	1888	191	\$14,115
	Avg. Weekly Opt Out (Estimated)	Residential Opt Outs (Estimated)	Commercial Opt Outs (Estimated)	Estimated Loss of Revenue
2022	40.76	1929	191	\$14,420

Attachments

- Attachment A - Proposed Updated Terms and Conditions
- Attachment B - Proposed Updated CleanStart Tariff



TERMS AND CONDITIONS OF SERVICE

Rates: Sonoma Clean Power (SCP) electric generation rates are set with the intention of providing its customers clean electricity at competitive rates. Changes to SCP rates are adopted at duly noticed public meetings of the Sonoma Clean Power Authority Board of Directors which is advised by a Community Advisory Committee and SCP staff. Customers may establish and maintain service under the standard CleanStart Service Tariff or may elect to upgrade to SCP's EverGreen Service Tariff, which is 100% local, renewable energy. Please visit sonomacleanpower.org or call our local contact center at 1 (855) 202-2139 for more information.

PG&E will continue to charge all customers for electric delivery service and natural gas service, if applicable. SCP customers pay to PG&E a Power Charge Indifference Adjustment (PCIA) and Franchise Fee Surcharge in addition to electric delivery charges. Please contact PG&E for more information about its charges.

Billing: SCP customers receive a single combined monthly bill from PG&E that includes all energy-related charges, including SCP electric generation charges and PG&E's electric delivery charges. SCP electric generation charges replace PG&E's electric generation charges.

PG&E is required to charge all customers for transmission, distribution, public goods programs and other non-generation charges at the same rates regardless of who supplies the customer with electric generation. Customers pay the entirety of their charges to PG&E and PG&E forwards payments to SCP for its portion of charges.

Discount Programs: Customers currently enrolled in the California Alternative Rates for Energy (CARE) program, the Family Electric Rate Assistance (FERA) program, Medical Baseline, or receive the PG&E employee discount will continue to receive all these benefits and discounts as an SCP customer.

Enrollment: California State Assembly Bill 117, enacted into law in 2002 (Public Utilities Code section 366.2), requires Community Choice Energy programs such as SCP to operate as the default electric generation provider through an automatic enrollment process. Except in the cases of customers served by the Cities of Healdsburg and Ukiah through their city operated public power utilities, SCP is the default electricity provider for the Counties of Sonoma and Mendocino. You may request to return to PG&E electric generation at any time. To upgrade to SCP's 100% local, renewable EverGreen Service or return to PG&E generation service call our local contact center at

1(855) 202-2139 or visit our website at sonomacleanpower.org. Please have your PG&E account number available so that we may process your request.

Opt Out: You may opt out of SCP electric generation service at any time by calling 1-(855) 202-2139 or by completing the opt out form at sonomacleanpower.org/opt-out. You will need your PG&E account information to begin the opt out process.

~~There is no fee to opt out before enrollment or in the first 60 days of receiving SCP service. If you opt out 60 or more days after SCP service begins, you will be charged a one-time termination fee of \$5 per residential account or \$25 per commercial account.~~ All customers will also be subject to PG&E's terms and conditions of service, which will prohibit you from returning to SCP for a full year after your opt out date.

If you return to PG&E generation service after receiving SCP service for more than 60 days, PG&E requires that you choose one of the following options to return to its service:

Option 1: Return to PG&E generation service at the end of the current billing cycle. You will be billed at PG&E's transitional rates for a six-month period, and PG&E's standard bundled electricity rates thereafter.

Option 2: Give six month's advance notice of your intent to return to PG&E generation service. At the end of the six-month notice period, you will be returned to PG&E service and billed PG&E's standard bundled electricity rates.

Accounts cannot be transferred in the middle of a billing cycle. Your opt out request must be received at least 5 business days prior to your meter read date in order to switch service to PG&E before your next billing cycle begins. All other opt out requests will be processed on the subsequent meter read date. If you opt out or otherwise stop receiving service from SCP, you will be charged for all SCP electricity used before ending SCP electric service.

Failure to Pay: SCP may transfer delinquent accounts to PG&E upon 14 calendar days' written notice to the customer. Delinquent accounts will be required to pay the termination fee described above to process the transfer. Transfer back to PG&E does not relieve the customer of paying SCP charges and/or other charges due and owing including, PG&E charges, nor does it halt any PG&E shut-off procedures. Customers may be subject to collections by SCP and/or PG&E for all amounts due and owing plus interest, penalties, and other charges associated with the delinquent account.

Customer Privacy Policy: SCP's Notice of Accessing, Collection, Storing, Using, and Disclosing Energy Usage Information Policy can be found at sonomacleanpower.org/privacy-policy or by calling 1 (855) 202-2139.

CleanStart Service Tariff

Sonoma Clean Power (SCP) offers its standard CleanStart Service comprised of a mix of renewable and carbon-free energy sources and unspecified system power to all eligible customers.

APPLICABILITY: The CleanStart Service Tariff is applicable to eligible residential and non-residential customers located in SCP's service territory.

TERRITORY: This tariff is available to any person or corporation whose premise(s) are located within SCP's service territory, which includes the Cities of Cloverdale, Cotati, Fort Bragg, Petaluma, Point Arena, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Willits, the Town of Windsor, and the Unincorporated areas of Sonoma County and Mendocino County (excludes the Cities of Healdsburg & Ukiah).

RATES: All electric energy supplied by SCP to customers will be measured by means of Pacific Gas and Electric (PG&E) installed electric meters except where energy supplied to highway sign lighting, traffic control devices, communication system amplifiers or other loads can be accurately determined from load and operating time or other relevant data and where, in the opinion of PG&E, the installation of a meter is impractical.

All SCP residential and non-residential rates charged under this Tariff will be in accordance with the customer's Rate Schedule as established by PG&E. A customer served under this Tariff is responsible for all applicable SCP charges including energy (kWh) and demand (kW) charges, EverGreen premium, taxes, and surcharges as applicable.

SCP rates and rate design, including the rates and rate design reflected in this Tariff, are subject to change from time to time.

The CleanStart Service residential Rate Schedules can be found here:
<https://sonomacleanpower.org/uploads/documents/Residential-Rates.pdf>

The CleanStart Service non-residential Rate Schedules can be found here:
<https://sonomacleanpower.org/uploads/documents/Commercial-Rates.pdf>

PG&E tariffs and rates still apply. SCP customers will continue to be subject to the terms, conditions, and billing procedures of PG&E for services other than electric generation.

ENROLLMENT TERM: SCP is the default electricity provider for its service territory. Customers within the service territory automatically receive SCP's CleanStart service. If a customer wishes to receive electric generation from PG&E, the customer must opt out of SCP service.

A customer who opts into SCP will automatically be placed on the customer's Rate Schedule under the CleanStart Service Tariff on the first day of their next billing cycle where the billing cycle start date occurs at least five business days after the date of the customer's request. A customer request that is received within five business days of the customer's next billing cycle may result in the customer being placed on the CleanStart Service in the following billing cycle.

TERMINATION: There is no minimum service length under this schedule. Customers who choose to opt out of SCP in the 60 days before or after the start of service with SCP can return to SCP service at any time. Customers opting out of SCP service 60 days or more after SCP service starts ~~must pay an SCP termination fee of \$25 (for non-residential customers) or \$5 (for residential customers), and~~ will be subject to PG&E's terms and conditions of service, which prohibit a customer from returning to SCP service until after one year of PG&E bundled service. For information on PG&E's terms and conditions visit pge.com/cca.

Customers who opt out are charged for all SCP electricity used before transferring electric service to PG&E. Accounts will be transferred to PG&E on the day of the electric account meter read, and cannot be transferred during the middle of a billing cycle. Opt out requests received at least 5 business days prior to a customer's meter read date will be processed for that meter read date; all other opt out requests will be processed on the next meter read date.

BILLING: Monthly bills are calculated in accordance with the customer's CleanStart Rate Schedule, premiums, fees, and taxes. PG&E will continue to send the customer's monthly utility bill, including electric delivery and electric generation charges as well as gas charges as applicable.

TERMS AND CONDITIONS: Nothing in the CleanStart Service Tariff precludes or supersedes SCP's Terms and Conditions. SCP's Terms and Conditions can be found at sonomacleanpower.org/terms-and-conditions.

POWER SOURCES: SCP reports its power sources to the California Energy Commission annually. The CleanStart Service power mix can be found at sonomacleanpower.org/power-sources.

More information about SCP's CleanStart Service can be found online at sonomacleanpower.org or by calling 1 (855) 202-2139.

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Staff Report - Item 04

To: Sonoma Clean Power Authority Board of Directors
From: Geof Syphers, Chief Executive Officer
Issue: Approve Policy B.1 Financial Policy and CEO Spending Authority
Date: October 7, 2021

Recommendation

Staff request the Board of Directors approve the attached Financial Policy and CEO Spending Authority to correct an error that was made when the Board adopted the Energy Risk Management Policy on June 3, 2021.

Background

When staff asked the Board to approve the Energy Risk Management Policy on June 3, 2021, staff also requested that the new Energy Risk Management policy supersede and replace Financial Policy B.1 on the CEO's Spending Authority. That request was in error since the Energy Risk Management Policy only governs energy related purchasing authority and SCP still requires Financial Policy B.1 to govern all non-energy related transactions. Staff apologize for this error, and requests the Board to reinstate Financial Policy B.1.

Fiscal Impact

None.

Attachments

- Attachment A - Proposed Reinstated Financial Policy B.1 - CEO Spending Authority

Financial Policy B.1 CEO Spending Authority

Power procurement expenditures are governed by Policy C.1 Energy Risk Management. For all other expenditures, the CEO is authorized to make expenditures without prior Board of Directors or Community Advisory Committee review or approval provided that:

1. The total annual dollar amount/cost or the purchase or contract does not exceed \$100,000 AND the expenditure will not result in exceeding the annual amount currently budgeted and approved in the applicable category;
2. The expenditure is consistent with all adopted Board policies;
3. The Board Chair and Vice Chair, and the Community Advisory Committee Chair are notified immediately following any non-power procurement purchases that exceed \$100,000;
4. The expenditure is in the best interest of Sonoma Clean Power's customers; and,
5. All expenditures in excess of \$100,000 are reported at the next Board meeting.



Staff Report - Item 05

To: Sonoma Clean Power Authority Board of Directors
From: Mike Koszalka, Chief Operating Officer
Geof Syphers, Chief Executive Officer
Issue: Approve an Investment Policy for Sonoma Clean Power
Date: October 7, 2021

Recommendation

Staff are requesting that the Board of Directors approve the attached draft Sonoma Clean Power investment policy as Financial Policy B.5, Investments.

Background

Sonoma Clean Power, since its inception in 2014, has taken a conservative approach to cash management as we began building our financial credit and reserves. Over the last seven years, we have built reserves to \$72 million - approximately 57% of SCP's long-term target.

Our cash funds are held with the following three institutions: River City Bank, Summit State Bank, and the Sonoma County Investment Pool.

The County Investment Pool is considered a safe institution for public agencies to hold substantial cash holdings for the purpose of preserving capital. These deposits can be withdrawn with very little delay and without penalty making this account quite liquid. However, the County Investment Pool earns relatively low returns and does not provide insurance on the funds.

Most of the funds SCP holds at River City Bank and Summit State Bank are in Insured Cash Sweep (ICS) accounts. ICS accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for their full balance. The bank uses other member banks to place funds into demand deposit accounts, money market deposit accounts at increments below the standard FDIC insurance maximum of \$250,000 so that both principal and interest are eligible for FDIC insurance. These funds are available to SCP with no delay or penalty making them completely liquid.

Given the extremely low interest rate as of September 1, 2021, the returns on the ICS accounts and the County Investment Pool are all around 50 basis points (0.5%). SCP is currently earning just over \$50,000 per month in interest at these rates. While this interest income is helpful, it is also not matching inflation, so there is risk that SCP's deposits could lose purchasing power over time.

As a public agency, SCP is guided by State law regarding allowed investments of public funds. Without a formal investment policy in place, to date staff has taken the most conservative approach to cash management by primarily holding funds in banking institutions and with the County.

Discussion

SCP has the potential to better allocate our cash holdings within State law in order to increase our return without adding significant financial risk. Staff is proposing the attached Financial Policy B.5, Investments, to guide staff in selecting and managing investments of SCP's cash holdings.

Currently, staff does not have plans to change our current cash holding strategy. Establishing this policy would clarify staff's authority to invest in financial instruments other than our current banking and financial relationships.

If adopted, the Chief Executive Officer (and his/her designee, if necessary) would have the authority to invest and reinvest money of SCP, including selling or exchanging securities so purchased, and to deposit such securities for safekeeping in accordance with and subject to Financial Policy B.5.

Community Advisory Committee

At their September 16th meeting, the Community Advisory Committee recommended that the Board approve this new financial policy.

Fiscal Impact

This policy will have limited impact in the short term as interest rates and returns for the financial investments allowed by State law and this policy are low. This policy does have the potential to increase interest revenues in the future.

Attachments

- Attachment A - Draft Sonoma Clean Power Investment Policy
- Attachment B - Local Agency Investment Guidelines, CDIAC, 1.1.2021
(Available at [this link](#) or by request from the Clerk of the Board.)

PROPOSED DRAFT - This policy has no effect unless and until it is adopted by the SCPA Board of Directors.

**Financial Policy B.5
Investments**

1. Purpose

This statement contains guidelines for the prudent investment of SCPA's cash balances in accordance with California Government Code sections 53600, et. seq. The goals of SCPA's Investment Policy are to protect SCPA's cash balances, retain sufficient liquidity, and produce a return on investment to preserve value over time.

2. Standard of Care

The standard of prudence to be used by investment officials will be the "prudent investor" standard, which states that, "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

3. Scope

This Investment Policy applies to all funds and investment activities of SCPA. This Policy does not apply to the investment of bond proceeds, which would be governed by any applicable bond documents.

4. Objectives

The primary objectives, in priority order, of the investment activities of SCPA are:

- **Safety of Principal** - Preservation of principal is the foremost objective of SCPA.
- **Liquidity** - SCPA's portfolio will remain sufficiently liquid to enable SCPA to meet its cash flow requirements. It is important that the portfolio contain investments which provide the ability of being easily sold at any time.
- **Return on Investment** - SCPA's investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, considering SCPA's investment risk constraints and cash flow needs.

Delegation of Authority

Pursuant to California Government Code Section 53607, the Chief Executive Officer (and his/her designee, if necessary) is authorized to invest and reinvest money of

SCPA, to sell or exchange securities so purchased, and to deposit such securities for safekeeping in accordance with and subject to this investment policy.

SCPA may engage the support services of outside investment advisors regarding its investment program, so long as these services are likely to produce a net financial advantage or necessary financial protection of SCPA's financial resources. Outside investment advisors must be approved by the Chief Executive Officer and the Board of Directors. SCPA CEO (and his/her designee, if necessary) will be responsible for managing the investment advisors.

Conflict of Interest

Officers and employees involved in the investment process will refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.

Authorized Financial Dealers and Institution

The purchase by SCPA of any investment other than those purchased directly from the issuer, will be purchased either from an institution licensed by the State as a broker-dealer, as defined in Section 25004 of the Corporations Code, which is a member of the Financial Industry Regulatory Authority (FINRA), or a member of a federally regulated securities exchange, a national or state chartered bank, a federal or state association (as defined by Section 5102 of the Financial Code), or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank.

Should SCPA staff choose to contract with a dealer or institution to manage its investments, the CEO would be responsible for making this decision, conducting the evaluation of all institutions that wish to do business with SCPA, to determine if they are adequately capitalized, staffed by qualified investment professionals, and agree to abide by the conditions set forth in SCPA's Investment Policy and any other guidelines that may be provided. If SCPA does go forward with a dealer or institution, the following action will be taken annually by having the financial institutions:

1. Provide written notification that they have read, and will abide by, SCPA's Investment Policy.
2. Submit their most recent audited Financial Statements within 120 days of the institution's fiscal year end.

If SCPA has an investment advisor, the investment advisor may use its own list of authorized broker/dealers to conduct transactions on behalf of SCPA.

Authorized Investments

The Local Agency Investment Guidelines update for 2021 that was issued by the California Debt and Investment Advisory Commission (CDIAC), FIGURE 1, lists the acceptable investments authorized for local agencies in California. The following is a reproduction of FIGURE 1 from the report that is in force as of January 1, 2021. SCPA will abide by these guidelines and any successors issued by the State.

FIGURE 1

INVESTMENT TYPE	MAXIMUM MATURITY ^C	MAXIMUM SPECIFIED % OF PORTFOLIO ^C	MINIMUM QUALITY REQUIREMENTS	GOV'T CODE SECTIONS
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations—CA And Others	5 years	None	None	53601(c) 53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40% ^E	None	53601(g)
Commercial Paper—Non-Pooled Funds ^F (under \$100,000,000 of investments)	270 days or less	25% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H	53601(h)(2)(c)
Commercial Paper—Non-Pooled Funds (min. \$100,000,000 of investments)	270 days or less	40% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H	53601(h)(2)(c)
Commercial Paper—Pooled Funds ^I	270 days or less	40% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30% ^J	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	50% ^K	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	50% ^K	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days ^L	20% of the base value of the portfolio	None ^M	53601(j)
Medium-Term Notes ^N	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple ^{P,Q}	53601(l) and 53601.6(b)
Collateralized Bank Deposits ^R	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-Through and Asset-Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple ^S	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund ^T	N/A	None	None	16340
Supranational Obligations ^U	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)
Public Bank Obligations	5 years	None	None	53601(r), 53635(c) and 57603

Restriction on Investment Policies and SCPA Constraints

Section 53600 et. seq. of the State of California Government Code outlines the collateral requirements for certain types of investments and limits the percentage of total investments which can be placed in certain classifications. Investments must meet the time schedules as indicated by the cash flow projections of SCPA. Investments will be purchased with the intent to hold until maturity, however this will not preclude the sale of securities prior to maturity in order to reposition the portfolio's duration, liquidity, credit quality, or enhance the rate of return.

Maturity Limit

State law requires that the maturity of any given instrument should not exceed five years unless specifically approved by the SCPA Board of Directors at least three months before the investment is made.

Internal Control

The CEO is responsible for establishing and maintaining an internal control structure designed to provide reasonable assurance that the assets of SCPA are protected from loss, theft, or misuse. The SCPA CEO or his/her designee shall arrange for an annual audit by an external CPA firm in compliance with the requirements of state law and generally accepted accounting principles as pronounced by the GASB (Governmental Accounting Standards Board). As part of the audit, investment transactions will be tested. The annual audit will be an integral part, but not the sole part of management's program of monitoring internal controls.

Performance Standards

SCPA's portfolio shall be structured to achieve a market-average rate of return through various economic cycles, commensurate with the investment risk constraints and the cash flow needs.

Reporting Requirements

The CEO will provide a year-to-date investment summary to the Board of Directors on a quarterly or more frequent basis. The summary will show the type of investment, the average balance of funds invested, and average annual percentage yield.

Policy Review

This Investment Policy will be reviewed at least annually to ensure its consistency with:

1. The California Government Code sections that regulate the investment and reporting of public funds.
2. The overall objectives of preservation of principal, sufficient liquidity, and a market return.

Glossary

Broker-Dealer is a person or a firm who can act as a broker or a dealer depending on the transaction. A broker brings buyers and sellers together for a commission. They do not take a position. A dealer acts as a principal in all transactions, buying and selling for his own account.

Collateral refers to securities, evidence of deposits, or other property that a borrower pledges to secure repayment of a loan. It also refers to securities pledged by a bank to secure deposits. In California, repurchase agreements, reverse repurchase agreements, and public deposits must be collateralized.

Commercial Paper is a short term, unsecured, promissory note issued by a corporation to raise working capital.

Duration is a measure of the sensitivity of the price of a security or a portfolio of securities to a change in interest rates, typically stated in years.

Federal Agency Obligations are issued by U.S. Government Agencies or Government Sponsored Enterprises (GSE). Although they were created or sponsored by the U.S. Government, most Agencies and GSEs are not guaranteed by the United States Government. Examples of these securities are notes, bonds, bills and discount notes issued by Fannie Mae (FNMA), Freddie Mac (FHLMC), the Federal Home Loan Bank system (FHLB), and Federal Farm Credit Bank (FFCB). The Agency market is a very large and liquid market, with billions traded every day.

Issuer means any corporation, governmental unit, or financial institution that borrows money through the sale of securities.

Liquidity refers to the ease and speed with which an asset can be converted into cash without loss of value. In the money market, a security is said to be liquid if the difference between the bid and asked prices is narrow and reasonably sized trades can be done at those quotes.

Local Agency Investment Fund (LAIF) is a special fund in the State Treasury that local agencies may use to deposit funds for investment. There is no minimum investment period and the minimum transaction is \$5,000, in multiples of \$1,000 above that, with a maximum of \$65 million for any California public agency. It offers high liquidity because deposits can be converted to cash in twenty-four hours and no interest is lost. All interest is distributed to those agencies participating on a proportionate share determined by the amounts deposited and the length of time they are deposited. Interest is paid quarterly via direct deposit to the agency's LAIF account. The State keeps an amount for reasonable costs of making the investments, not to exceed one-quarter of one per cent of the earnings.

Local Government Investment Pools (LGIP) are investment tools similar to money market funds that allow public entities to invest funds.

Maturity is the date upon which the principal or stated value of an investment becomes due and payable.

Money Market Fund is a type of investment comprising a variety of short-term securities with high quality and high liquidity. The fund provides interest to shareholders. Eligible money market funds must strive to maintain a stable net asset value (NAV) of \$1 per share.

Net Asset Value (NAV) is the value of an entity's assets minus the value of its liabilities, often in relation to open-end or mutual funds, since shares of such funds registered with the U.S. Securities and Exchange Commission are redeemed at their net asset value. Money Market funds that SCPA is authorized to invest in are required to maintain an NAV of \$1.00 at all times.

Principal describes the original cost of a security. It represents the amount of capital or money that the investor pays for the investment.

Repurchase Agreements are short-term investment transactions. Banks buy temporarily idle funds from a customer by selling him U.S. Government or other securities with a contractual agreement to repurchase the same securities on a future date at an agreed upon interest rate. Repurchase Agreements are typically for one to ten days in maturity. The customer receives interest from the bank. The interest rate reflects both the prevailing demand for Federal Funds and the maturity of the Repo. Repurchase Agreements must be collateralized.

U.S. Treasury Issues are direct obligations of the United States Government. They are highly liquid and are considered the safest investment security. U.S. Treasury issues include:

1. **Treasury Bills** which are non-interest-bearing discount securities issued by the U.S. Treasury to finance the national debt. Bills are currently issued in one, three, six, and twelve-month maturities.
2. **Treasury Notes** that have original maturities of one to ten years.
3. **Treasury Bonds** that have original maturities of greater than 10 years.



Staff Report - Item 06

To: Sonoma Clean Power Authority Board of Directors

From: Carole Hakstian, Senior Risk Officer
Brian Goldman, Principal Compliance Analyst

Issue: Adopt Resolution Attesting to the Accuracy of Sonoma Clean Power Authority's 2020 Power Source Disclosure Annual Reports for CleanStart and EverGreen Products and 2020 Power Content Label

Date: October 7, 2021

Recommendation

Staff recommends that the Sonoma Clean Power Authority ("SCP") Board of Directors adopt a resolution approving the 2020 Power Source Disclosure Annual Reports for SCP's CleanStart and EverGreen products ("PSD Annual Reports") and SCP's 2020 Power Content Label, and attest to their veracity. The resolution is attached to this staff report as Attachment A, the 2020 PSD Annual Reports are attached as Exhibit 1 and Exhibit 2, and the 2020 Power Content Label is attached as Exhibit 3.

Background

The California Public Utilities Code requires all retail sellers of electric energy, including SCP, to disclose "accurate, reliable, and simple-to-understand information on the sources of energy"¹ that are delivered to their respective customers each year. SCP submitted its 2020 PSD Annual Reports on May 24, 2021. The PSD Annual Reports include SCP's specified power purchases, resales, and self-consumption of energy by fuel type. Information from SCP's 2020 PSD Annual Reports is included in SCP's 2020 Power Content Label. The Power Content Label is mailed to SCP

¹ PUC § 398.1 et seq.

customers and posted on both SCP's and the California Energy Commission's ("CEC") websites.

Discussion

Staff recommends that the Board adopt a resolution approving SCP's 2020 PSD Annual Reports for SCP's CleanStart and EverGreen products, and attest to the veracity of the data in the PSD Annual Reports and the Power Content Label. Adoption of the attached resolution as recommended by staff enables SCP to comply with the CEC regulation implementing the California Public Utilities Code requirements.²

During the 2020 calendar year, SCP provided CleanStart customers with an energy supply including 49% renewable energy from geothermal (15%), solar (10%), and wind (24%). For EverGreen customers, SCP provided 100% renewable energy to participating customers including 81% purchased from geothermal sources and 19% purchased from solar sources. For comparison, California's total renewable energy ratio is 33%.

Beginning in 2020, retail sellers are required to report a new metric in the PSD Annual Reports and on the Power Content Label for greenhouse gas ("GHG") data for generation and procurement.³ SCP reports that it produces a GHG Emissions Intensity of 80 pounds CO₂e/megawatt hour ("lbs CO₂e/MWh") for its CleanStart product, and just 64 lbs CO₂e/MWh for its EverGreen product, compared to the 2020 California Utility Average of 466 lbs CO₂e/MWh.

Fiscal Impact

Adoption of the Resolution will not result in any financial impact to SCP.

Attachments

- Attachment A – Resolution Approving SCP 2020 Power Source Disclosure Annual Reports for CleanStart and EverGreen Products and Approving and Attesting to the Veracity of SCP's Power Content Label

² 20 CCR § 1390-1394.

³ Modification of Regulations Governing the Power Source Disclosure Program, May 4, 2020, p. 15.

- Exhibit 1 – SCP 2020 Power Source Disclosure Annual Report for CleanStart
(Available at [this link](#) or by request from the Clerk of the Board.)
- Exhibit 2 – SCP 2020 Power Source Disclosure Annual Report for EverGreen
(Available at [this link](#) or by request from the Clerk of the Board.)
- Exhibit 3 – SCP 2020 Power Content Label

Attachment A

[NOT YET ADOPTED]

RESOLUTION NO. 2021 – XX

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA CLEAN POWER
AUTHORITY APPROVING AND ATTESTING TO THE VERACITY OF THE 2020
POWER SOURCE DISCLOSURE ANNUAL REPORTS FOR SONOMA CLEAN POWER
AUTHORITY’S CLEANSTART PRODUCT AND EVERGREEN PRODUCT AND
APPROVING AND ATTESTING TO THE VERACITY OF SONOMA CLEAN POWER
AUTHORITY’S 2020 POWER CONTENT LABEL**

WHEREAS, Senate Bill 1305 was adopted in 1997, establishing an Electricity Generation Source Disclosure Program, (“Power Source Disclosure Program”), which requires retail suppliers of electricity to annually submit Power Source Disclosure Reports to the California Energy Commission, and to annually provide Power Content Label to their consumers.

WHEREAS, Sonoma Clean Power Authority is a retail supplier of electricity as defined by the Power Source Disclosure Program (20 CCR § 1391).

WHEREAS, the Power Source Disclosure Regulation was updated effective May 4, 2020 allowing the board of directors of a public agency providing electric services to approve, at a public meeting, the submission to the California Energy Commission of an attestation of the veracity of each product’s Power Source Disclosure Annual Report, attached hereto as Exhibit 1 and Exhibit 2, and an attestation to the veracity of the Power Content Label, attached hereto as Exhibit 3.

WHEREAS, the Board held a public meeting on October 7, 2021 to consider the 2020 Power Source Disclosure Annual Reports for the CleanStart Product and the EverGreen Product and the 2020 Power Content Label;

NOW, THEREFORE BE IT RESOLVED, the Board of Directors of the Sonoma Clean Power Authority hereby:

Section 1. Approves the submission and attests to the veracity of the attached 2020 Power Source Disclosure Annual Reports for Sonoma Clean Power Authority’s CleanStart Product (Exhibit 1) and Sonoma Clean Power Authority’s EverGreen Product (Exhibit 2).

Section 2. Approves the submission and attests to the veracity of the attached 2020 Power Content Label (Exhibit 3).

[SIGNATURES APPEAR ON FOLLOWING PAGE]

DULY ADOPTED this 7th day of October, 2021

JURISDICTION	NAME	AYE	NO	ABSTAIN/ ABSENT
Cloverdale	Director Bagby			
Cotati	Director Landman			
Fort Bragg	Director Peters			
Petaluma	Director King			
Rohnert Park	Director Elward			
Santa Rosa	Director Rogers			
Sebastopol	Director Slayter			
Sonoma	Director Felder			
Windsor	Director Fudge			
County of Mendocino	Director Gjerde			
County of Sonoma	Director Hopkins			

Chair, Sonoma Clean Power Authority

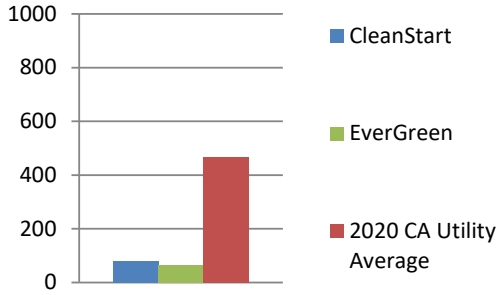
Attest:

Clerk of the Board

APPROVED AS TO FORM:

Special Counsel,
Sonoma Clean Power Authority

2020 POWER CONTENT LABEL						
Sonoma Clean Power Authority						
sonomacleanpower.org						
Greenhouse Gas Emissions Intensity (lbs CO ₂ e/MWh)			Energy Resources	SCP CleanStart	SCP EverGreen	2020 CA Power Mix
CleanStart	EverGreen	2020 CA Utility Average	Eligible Renewable ¹	48.7%	100.0%	33.1%
			Biomass & Biowaste	0.0%	0.0%	2.5%
			Geothermal	14.8%	80.6%	4.9%
			Eligible Hydroelectric	0.0%	0.0%	1.4%
			Solar	9.8%	19.4%	13.2%
			Wind	24.0%	0.0%	11.1%
			Coal	0.0%	0.0%	2.7%
			Large Hydroelectric	44.1%	0.0%	12.2%
			Natural Gas	0.0%	0.0%	37.1%
			Nuclear	0.0%	0.0%	9.3%
			Other	0.0%	0.0%	0.2%
			Unspecified Power ²	7.2%	0.0%	5.4%
			TOTAL	100.0%	100.0%	100.0%
Percentage of Retail Sales Covered by Retired Unbundled RECs ³ :				0%	0%	
¹ The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology. ² Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source. ³ Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.						
For specific information about this electricity portfolio, contact:			Sonoma Clean Power Authority (855) 202-2139			
For general information about the Power Content Label, visit:			http://www.energy.ca.gov/pcl/			
For additional questions, please contact the California Energy Commission at:			Toll-free in California: 844-454-2906 Outside California: 916-653-0237			





Staff Report - Item 07

To: Sonoma Clean Power Authority Board of Directors

From: Geof Syphers, CEO

Issue: Adopt Resolution Authorizing Virtual Board and Committee Meetings Pursuant to AB 361

Date: October 7, 2021

Requested Action:

Adopt Resolution Authorizing Virtual Board and Committee Meetings Pursuant to AB 361.

Summary of the Item:

Starting in March 2020 in response to the spread of COVID-19 in the State, the Governor issued a number of executive orders aimed at containing the COVID-19 virus which, among other things, waived certain requirements of the Brown Act to allow legislative bodies to meet virtually. Pursuant to the Governor's executive orders, SCP has been holding meetings with a virtual component during the pandemic in the interest of protecting the health and safety of the public and SCP staff and Directors. The Governor's executive order allowing for such virtual meetings sunsets on September 30, 2021.

On September 16, 2021, the Governor signed AB 361, which allows legislative bodies to meet virtually provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees. The Governor by executive order signed on September 20, 2021, suspended the effective date of AB 361 to October 1, 2021. As a result, if SCP desires to have virtual Board meetings on or after October 1,

2021, it must do so consistent with the requirements of AB 361. SCP Staff, Counsel and the Board Chair and Vice Chair conferred and agreed it would be prudent to continue with virtual meetings at this time.

AB 361 preserves many of the provisions of the earlier executive orders, while also adding new requirements to the management of remote and teleconference public meetings in order to better achieve the levels of transparency that the Brown Act demands. Specifically, AB 361 imposes two new rules on remote public meetings:

1. Local governments and agencies hosting teleconference meetings in lieu of traditional in-person public meetings must permit direct public comment during the teleconference, and must leave open the opportunity for public comment until the comment period for a given item is closed during the ordinary course of the meeting. The opportunity to make public comment must be of a sufficient duration so as to allow actual public participation.
2. Any action by the governing body during a public teleconference meeting must occur while the agency is actively and successfully broadcasting to members of the public through a call-in option or an internet-based service option. If a technical disruption within the agency's control prevents members of the public from either viewing the meeting of the public agency, or prevents members of the public from offering public comment, the agency must cease all action on the meeting agenda until the disruption ends and the broadcast is restored. Action taken during an agency-caused disruption may be challenged as a violation of the Brown Act.

In order to continue to qualify for AB 361's waiver of in-person meeting requirements, the Board must, within thirty (30) days of its first meeting under AB 361, and every thirty (30) days thereafter, make findings that (a) state or local officials continue to recommend measures to promote social distancing, or that (b) an in-person meeting would constitute an imminent risk to the safety of attendees. The findings need not be in the form of a resolution, but a resolution is helpful in formalizing these findings.

Because the Board meets regularly on the first Thursday of each month, it is possible that more than thirty days may elapse between consecutive meetings. AB 361 is silent as to whether special meetings are required on a more frequent basis to keep up with the thirty-day renewal of findings requirement, although scheduling such meetings would ensure strict compliance. Alternatively, if the Board does not meet within thirty

days after its prior meeting, the Board should make its renewed findings at the beginning of its next meeting prior to any other action or discussion. If the Board wishes to continue meetings remotely, staff recommends this approach absent additional clarification.

Lastly, it is important to note that AB 361 is optional. If the Board wishes, it may meet in person. In addition, hybrid meetings are permissible. If the Board will meet only or partially in person, it should ensure compliance with the Sonoma County Health Officer's recommendations for local public meetings. These are attached and include requiring attendees to wear facemasks and providing adequate space to ensure at least six feet of space between attendees.

Attachments:

- Resolution of the Board of Directors of the Sonoma Clean Power Authority Authorizing Virtual Board and Committee Meetings Pursuant to AB 361

DRAFT

Resolution 2021-_____

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA CLEAN POWER AUTHORITY
AUTHORIZING VIRTUAL BOARD AND COMMITTEE MEETINGS PURSUANT TO AB 361**

WHEREAS, the Sonoma Clean Power Authority (“SCP”) is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of SCP’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate in SCP’s meetings; and

WHEREAS, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor issued a number of executive orders aimed at containing the COVID-19 virus; and

WHEREAS, among other things, these orders waived certain requirements of the Brown Act to allow legislative bodies to meet virtually; and

WHEREAS, pursuant to the Governor’s executive orders, SCP has been holding virtual meetings during the pandemic in the interest of protecting the health and safety of the public, SCP staff, and Directors; and

WHEREAS, the Governor’s executive order related to the suspension of certain provisions of the Brown Act expired on September 30, 2021; and

WHEREAS, on September 16, 2021 the Governor signed AB 361 (in effect as of October 1, 2021 – Government Code Section 54953(e)), which allows legislative bodies to meet virtually provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in SCP, specifically, a state of emergency has been proclaimed related to COVID-19, Sonoma and Mendocino County officials are imposing and recommending measures to promote social distancing, and because of the ongoing threat of COVID-19, meeting in person would present imminent risks to the health and safety of attendees;

WHEREAS, these recommendations include the September 24, 2021 Recommendation of the Sonoma County Health Officer Dr. Sundari R. Mase which outlines specific social distancing recommendations for in-person meetings by local agencies within Sonoma County;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SONOMA CLEAN POWER AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Remote Teleconference Meetings: Consistent with the provisions of Government Code Section 54953(e), the Board of Directors finds and determines that (1) a state of emergency related to COVID-19 is currently in effect; (2) local officials in Sonoma and Mendocino Counties have imposed or recommended measures to promote social distancing in connection with COVID-19, including indoor mask requirements and minimum recommend distance between attendees; and (3) due to the COVID-19 emergency, meeting in person would present imminent risks to the health and safety of attendees. Based on such facts, findings and determinations, the Board authorizes staff to conduct remote teleconference meetings of the Board of Directors, including the Community Advisory Committee and other legislatives bodies, under the provisions of Government Code Section 54953(e).

Section 3. Effective Date of Resolution. This Resolution shall take effect October 7, 2021, and shall be effective for 30 days or until this Resolution is extended by a majority vote of the Board of Directors in accordance with Section 4 of this Resolution.

Section 4. Extension by Motion. The Board of Directors may extend the application of this Resolution by motion and majority vote by up to thirty days at a time, provided that it makes all necessary findings consistent with and pursuant to the requirements of Section 54953(e)(3).

PASSED AND ADOPTED by the Board of Directors of the Sonoma Clean Power Authority this 7th day of October 2021, by the following vote:

JURISDICTION	NAME	AYE	NO	ABSTAIN/ ABSENT
Cloverdale	Director Bagby			
Cotati	Director Landman			
Fort Bragg	Director Peters			
Petaluma	Director King			
Rohnert Park	Director Elward			
Santa Rosa	Director Rogers			
Sebastopol	Director Slayter			
Sonoma	Director Felder			
Windsor	Director Fudge			
County of Mendocino	Director Gjerde			
County of Sonoma	Director Hopkins			

In alphabetical order by jurisdiction

Chair, Sonoma Clean Power Authority

Attest:

Clerk of the Board

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Staff Report - Item 08

To: Sonoma Clean Power Authority Board of Directors

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

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

Date: October 7, 2021

COMMITTEE MEMBER VACANCIES AND RECRUITMENT PROCESS

Due to recent and upcoming vacancies, the Community Advisory Committee (CAC) meeting agenda for October 21st will include discussion and a vote to appoint a CAC Vice Chair for the remainder of the calendar year. The Ad Hoc Committee of the Board of Directors will be meeting following the October 7th Board meeting to do a first round review of applications and plan for interviews.

NBBJ BEST PLACES TO WORK 2021

For the third year in a row, Sonoma Clean Power has been named one of the North Bay Business Journal's Best Places to Work.

This award is more special than most in that we are judged by surveys completed by our own team, along with a review of the benefits package we offer and our involvement in the community we serve. Thank you for helping SCP continue to be one of the BEST!

STAFF UPDATES

Following the retirement of Cordel Stillman, Rebecca Simonson has been named as the new Director of Programs. Her former role as Director of Planning and Analytics has been filled by Ryan Tracey, who previously worked with Rebecca as a Senior Energy Analyst.

SCP HEADQUARTERS PROJECT UPDATE

Due to the current COVID safety guidelines, the office continues to be closed to the public and visitors at this time. A recent ad in the North Coast Builders' Exchange publication, Building News, highlighted the project for member Midstate Construction.

Member Spotlight



Sonoma Clean Power Headquarters

General contractor Midstate Construction Corporation, and owner Sonoma Clean Power recently completed renovation of the Sonoma Clean Power headquarters in Santa Rosa, CA.

Designed by EHDD Architecture, the renovation of this 15,330 square foot office building includes exterior façade upgrade, 240 square foot addition with second level deck, sitework, landscape, irrigation, building systems, elevator, photo-voltaic panels, exterior battery system and utilities.

Midstate Construction Corporation
1180 Holm Rd
Petaluma, CA 94954
www.midstateconstruction.com

LAKE COUNTY PUMPED STORAGE HYDRO FIREMAIN SYSTEM

Several communities in Lake County are evaluating the opportunity to install closed-loop pumped storage hydro systems that can also function as water supply for firefighting. These systems will use solar power to pump water to a tank at high elevation and then reverse flow and generate electricity by flowing the same water through a turbine to a tank at low elevation when renewable energy is in short supply. In order to fund these projects, several grants are being pursued to fund engineering and construction. SCP staff appreciates the potential benefits these projects could bring to our region—improving resiliency, providing new energy resources, and shifting generation to when it's most needed. Two letters of support

SCP has offered for grants these projects are pursuing are attached to this report. Staff will also monitor the success of this type of project and may approach Sonoma and Mendocino Counties to discuss local opportunities in the future.

DIRECT COMMERCIAL CUSTOMER EVERGREEN OUTREACH

SCP's Customer Service team has initiated a direct outreach campaign to commercial customers, advising them of the value of SCP's EverGreen service, with the intent to increase EverGreen enrollment. As part of that effort, we're asking for Committee and Board Members' referrals to business owners and managers in their networks.

The success of the SCP Mendonoma Campaign's direct commercial outreach reinforced our understanding of the effectiveness of contacting customers about EverGreen who had been first referred by a trusted source. In the Mendonoma campaign, a local supermarket owner, Steve May of Surf Market, contacted business owners in his network, informing them of the value he saw in EverGreen, and asked them if he could refer them to SCP's Customer Service for a follow-up. That joint effort increased commercial customer EverGreen enrollment along the coastal region from 15 accounts to 44: a 214% increase in just weeks. And enrolled customers were genuinely appreciative of the opportunity.

We're using what we learned and what worked about that effort in expanding our outreach into other networks and are targeting commercial and non-profit enterprises that we believe have a high probability of enrolling in EverGreen. High probability is defined as organizations or owners who have declared their intent, through public or social media, to significantly reduce their operation's carbon footprint or greenhouse gas emissions. Other high probability businesses could include those owned by a celebrity or successful entrepreneur who would see value and accept the premium costs of EverGreen without reservation.

Committee and Board Members accepting this opportunity to spread the word can email info@sonomacleanpower.org for further details, including talking points, scripts, and e-flyers they can use when contacting people in their networks.

BIKE ELECTRIC PROGRAM

SCP launched the Bike Electric program on March 9th, with the goal of helping 200 lower-income customers purchase an electric bike (ebike). The program provided a \$1,000 discount at the point of purchase on eligible models at over a dozen local retailers and our online partner Ridepanda. The response was impressive and blew

sonomacleanpower.org

past our 200-bike goal. As of 9/29, over 350 customers had purchased an electric bike through the program! SCP also partnered with Sonoma County Bicycle Coalition to give away over 70 helmets and provide free bike safety classes. Customers had until September 30th to redeem their discount vouchers.

ADVANCED ENERGY CENTER

We have had over 1000 visitors to the Advanced Energy Center already! This is really exceptional, given COVID limitations. The average daily attendance is almost 20 persons per day. Ninety-nine customers have submitted projects and received bids to install energy efficient technologies deployed via the Advanced Energy Center, and of those, 34 applied for the 0% on-bill financing loan program.

SUCCESSFUL ADVOCACY TO INCREASE PUBLIC SAFETY THROUGH PG&E POWER LINE UNDERGROUNDING

Following two years of SCP advocacy, PG&E recently notified SCP that it completed undergrounding a short portion of the four distribution feeders through high fire threat district (HFTD) exiting the Rincon substation powering northeastern Santa Rosa. This is a project that SCP has been strongly advocating since 2019 due to its small work scope and large customer impact. Customers served by Rincon, including much of Rincon Valley and western Oakmont, have experienced more than four times as many PSPS events than the average SCP customer. SCP's analysis has confirmed PG&E's estimate that over 11,000 homes in the area will no longer experience most PSPS events. This includes 45% of the 3,400 electric meters in the Oakmont community.

PG&E also recently confirmed that undergrounding sections of the distribution feeder from the Dunbar substation is a high priority project for 2022. Completion of this project will alleviate most of the PSPS risk impacting the rest of the Oakmont community and residents in northern Sonoma Valley. This result is a huge testament to SCP's advocacy to press PG&E to make their system safer, especially for the many elderly, medically-dependent and low-income customers in that area.

SCP continues to monitor PSPS planning, execution, and PG&E's prioritization of mitigation measures within SCP territory. Through September, favorable weather has greatly reduced the PSPS exposure to SCP customers in 2021, but available data also suggests PG&E infrastructure investments like the Rincon undergrounding will greatly limit the impact of PSPS for customers residing outside HFTD areas. A new focus area for SCP is better characterizing the scope of rarer but much larger-scale transmission-

triggered outages that cannot be mitigated through investments in distribution infrastructure hardening.

INTEGRATED RESOURCE PLAN

Staff continues to make progress on the internal Integrated Resource Plan (IRP). Following Board approval of the contract with Ascend Analytics, the SCP portfolio has now been migrated to dedicated computing resources and preliminary portfolios have been successfully created and tested in the system. SCP also expects an update from Ascend this month on the CAISO system which incorporates new regulations and market data. Due to organizational changes and urgency around preparing advocacy addressing the CPUC's recently released Preferred System Plan, staff expects that the original target delivery dates of a recommended portfolio will slip. In the meantime, the Planning & Analytics department is kicking-off a cross-agency effort to establish strong alignment on input assumptions, value drivers, and risk sensitivities. Staff is committed to delivering an optimized portfolio through this process in time to inform procurement decisions required to satisfy mandates and feed next year's regulatory IRP process.

LOCAL RESOURCE PLAN SITE LEASING INTEREST PROGRAM

In August, Staff initiated a Site Leasing Interest Program (SLIP) as part of the implementation of the 2021 EverGreen Local Resource Plan. The Site Leasing Interest Program was developed to gauge local interest among SCP's commercial, industrial, agricultural, and municipal customers in leasing access to rooftops and previously developed land for SCP to develop clean power systems.

Staff has received interest from multiple applicants since the opening of the program and has identified that the minimum 100,000 square feet goal has been achieved, thus the current SLIP program is no longer open to further applicants. Staff is currently working with applicants, gathering site information, and developing leasing terms.

SCP expects to issue a subsequent Request for Proposals (RFP) to Project Developers to develop projects on the participants' sites. The goal of this process is to develop clean power projects on multiple sites to create economies of scale, driving down project costs.

SCP & PGE JOINT RATE MAILER

Attached to this report are samples of the hard-copy versions of the annual Joint Rate Mailer sent to SCP and PG&E customers. The attached versions reflect the E-TOU-C & B-1-TOU rates. This was the first year that SCP sent both electronic and hard copy versions to our customers. Those that received electronic versions have formally elected to receive all communications electronically instead of physical mail. Essentially, this is a choice that customers made.

Below are the quantities, the digital email date, and the various physical mailer delivery dates to the post office:

- Digital Email Mailers
 - E-TOU-C: 98,335 (Email blast on 8/20)
 - B-1-TOU: 5,888 (Email blast on 8/20)
 - B-10-TOU: 891 (Email blast on 8/20)
 - B-19: 360 (Email blast on 8/20)
 - **Total = 105,474**
- Physical Mailers
 - E-TOU-C: 113,310 (Delivered to PO on 8/30 & 8/31)
 - B-1-TOU: 13,238 (Delivered to PO on 8/27)
 - B-10-TOU: 1,775 (Delivered to PO on 8/27)
 - B-19: 445 (Delivered to PO on 8/27)
 - **Total = 128,768**

MONTHLY COMPILED FINANCIAL STATEMENTS

The monthly compiled financial statements and budgetary comparison schedule attached to this report are in draft form. Maher Accountancy is working with our outside auditors to review all fiscal year documents and complete our annual outside audit. This will be presented to the CAC and Board later this year.

UPCOMING MEETINGS

Community Advisory Committee - October 21, 2021

Board of Directors - November 4, 2021

Community Advisory Committee - November 18, 2021

Board of Directors - December 2, 2021

ATTACHMENTS

- Joint Rate Mailers
- June 2021 Draft Financial Reports
- FLASHES - Letters of Support



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



PRSRT STD
US POSTAGE
PAID
PERMIT #470
SANTA ROSA

We support your power to choose

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

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

Understanding your energy choice

2021 Residential Electric Rate Comparison, E-TOU-C*			
		CleanStart	EverGreen
Generation Rate (\$/kWh)	\$0.11125	\$0.07643	\$0.10143
PG&E Delivery Rate (\$/kWh)	\$0.17498	\$0.17498	\$0.17498
PG&E PCIA/FF (\$/kWh)	N/A	\$0.04751	\$0.04751
Total Electricity Cost (\$/kWh)	\$0.28623	\$0.29892	\$0.32392
Average Monthly Bill (\$)	\$142.37	\$148.68	\$161.11

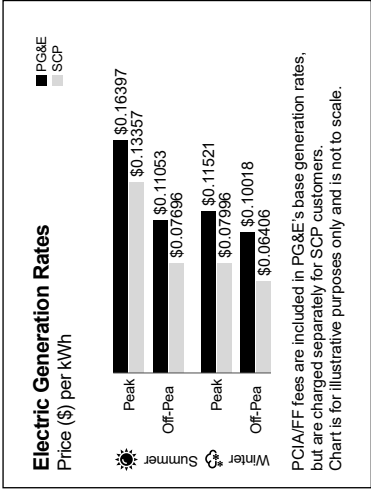
*This compares electricity costs for an average residential customer in the SCP/PG&E service area (Sonoma and Mendocino counties) with an average monthly usage of 497 kilowatt-hours (kWh). This is based on a representative 12-month billing history for all customers on E-TOU-C rate schedules. Rates are effective March 1, 2021 for PG&E and April 1, 2021 for SCP.



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

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

The **PCIA** is a charge to ensure that both PG&E customers and those who have left PG&E service to purchase electricity from other providers pay the above market costs for generation resources that were procured by PG&E on their behalf. "Above market" refers to expenditures for electric generation resources that cannot be fully recovered through sales of these resources at current market prices. PG&E acts as a collection agent for the **Franchise Fee (FF)** surcharge, which is levied by the California Public Utilities Commission (CPUC) on behalf of cities and counties in PG&E's service territory for all customers. The costs for resources included in the PCIA and FF surcharges are included in the generation rate for PG&E bundled service customers.

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



Electric Power Generation Mix*			
		CleanStart	EverGreen
Percent of Total Retail Sales (MWh)			
Renewable	31%	49%	100%
• Biomass & Biowaste	3%	0%	0%
• Geothermal	3%	15%	81%
• Eligible Hydroelectric	1%	0%	0%
• Solar Electric	16%	10%	19%
• Wind	8%	24%	0%
Coal	0%	0%	0%
Large Hydroelectric	10%	44%	0%
Natural Gas	16%	0%	0%
Nuclear	43%	0%	0%
Other	0%	0%	0%
Unspecified Source of Power**	0%	7%	0%
TOTAL	100%	100%	100%



*As reported to the California Energy Commission's Power Source Disclosure Program. PG&E data is subject to an independent audit and verification that will not be completed until October 1, 2021. The figures above may not sum up to 100 percent due to rounding.

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



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*PG&E refers to Pacific Gas and Electric Company, a subsidiary of PG&E Corporation.
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Understanding your energy choice

2021 Commercial Electric Rate Comparison, B-1 TOU*			
		CleanStart	EverGreen
Generation Rate (\$/kWh)	\$0.10990	\$0.07672	\$0.10172
PG&E Delivery Rate (\$/kWh)	\$0.16092	\$0.16092	\$0.16092
PG&E PCIA/FF (\$/kWh)	N/A	\$0.04608	\$0.04608
Total Electricity Cost (\$/kWh)	\$0.27082	\$0.28372	\$0.30872
Average Monthly Bill (\$)	\$387.77	\$406.24	\$442.04

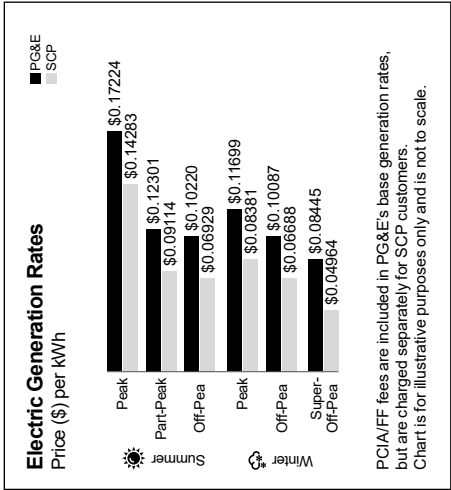
*This compares electricity costs for an average commercial customer in the SCP/PG&E service area (Sonoma and Mendocino counties) with an average monthly usage of 1,432 kilowatt-hours (kWh). This is based on a representative 12-month billing history for all customers on B-1 TOU rate schedules. Rates are effective March 1, 2021 for PG&E and April 1, 2021 for SCP.



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

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

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



Electric Power Generation Mix*			
		CleanStart	EverGreen
		Percent of Total Retail Sales (MWh)	
Renewable	31%	49%	100%
• Biomass & Biowaste	3%	0%	0%
• Geothermal	3%	15%	81%
• Eligible Hydroelectric	1%	0%	0%
• Solar Electric	16%	10%	19%
• Wind	8%	24%	0%
Coal	0%	0%	0%
Large Hydroelectric	10%	44%	0%
Natural Gas	16%	0%	0%
Nuclear	43%	0%	0%
Other	0%	0%	0%
Unspecified Source of Power**	0%	7%	0%
TOTAL	100%	100%	100%

*As reported to the California Energy Commission's Power Source Disclosure Program. PG&E data is subject to an independent audit and verification that will not be completed until October 1, 2021. The figures above may not sum up to 100 percent due to rounding.

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



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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 June 30, 2021, 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
August 31, 2021

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of June 30, 2021

ASSETS

Current assets	
Cash and cash equivalents	\$ 63,096,366
Accounts receivable, net of allowance	18,775,129
Other receivables	1,366,763
Accrued revenue	7,525,255
Prepaid expenses	1,110,342
Deposits	3,792,916
Total current assets	95,666,771
Noncurrent assets	
Unrestricted cash in Rate Stabilization Fund	22,000,000
Land and construction-in-progress	15,005,715
Capital assets, net of depreciation	4,891,116
Deposits	6,160,922
Total noncurrent assets	48,057,753
Total assets	143,724,524

LIABILITIES

Current liabilities	
Accrued cost of electricity	14,262,184
Accounts payable	3,941,108
Other accrued liabilities	865,298
User taxes and energy surcharges due to other governments	520,128
Total current liabilities	19,588,718

DEFERRED INFLOWS OF RESOURCES

Rate Stabilization Fund	22,000,000
-------------------------	------------

NET POSITION

Investment in capital assets	19,896,831
Unrestricted	82,238,975
Total net position	\$ 102,135,806

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
July 1, 2020 through June 30, 2021

OPERATING REVENUES

Electricity sales, net	\$ 185,815,340
Evergreen electricity premium	1,573,133
Grant revenue	2,381,614
Total operating revenues	<u>189,770,087</u>

OPERATING EXPENSES

Cost of electricity	165,480,489
Contract services	9,576,842
Staff compensation	4,921,778
General and administration	1,486,097
Program rebates and incentives	1,318,170
Depreciation	269,825
Total operating expenses	<u>183,053,201</u>
Operating income	<u>6,716,886</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	427,517
Other nonoperating revenue	7,009
Nonoperating revenues (expenses), net	<u>434,526</u>

CHANGE IN NET POSITION

	7,151,412
Net position at beginning of period	<u>94,984,394</u>
Net position at end of period	<u>\$ 102,135,806</u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS

July 1, 2020 through June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 195,477,625
Receipts from grantors	4,080,368
Other operating receipts	1,418,114
Payments to electricity suppliers	(170,914,572)
Payments for other goods and services	(10,624,494)
Payments for staff compensation	(4,823,208)
Tax and surcharge payments to other governments	(2,589,138)
Payments for program rebates and incentives	(2,596,526)
Net cash provided (used) by operating activities	<u>9,428,169</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(10,329,213)</u>
------------------------------------	---------------------

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	615,251
Proceeds from certificates of deposit matured	<u>20,291,718</u>
Net cash provided (used) by investing activities	<u>20,906,969</u>

Net change in cash and cash equivalents	20,005,925
Cash and cash equivalents at beginning of year	<u>65,090,441</u>
Cash and cash equivalents at end of period	<u>\$ 85,096,366</u>

Reconciliation to the Statement of Net Position

Unrestricted cash and cash equivalents (current)	\$ 63,096,366
Unrestricted cash and cash equivalents (noncurrent)	<u>22,000,000</u>
Cash and cash equivalents	<u>\$ 85,096,366</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF CASH FLOWS (continued)
July 1, 2020 through June 30, 2021

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

Operating income	\$ 6,716,886
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	269,825
Revenue adjusted for allowance for uncollectible accounts	2,931,790
(Increase) decrease in:	
Accounts receivable	(52,965)
Other receivables	1,263,926
Accrued revenue	2,670,203
Prepaid expenses	(32,095)
Deposits	(3,737,517)
Increase (decrease) in:	
Accrued cost of electricity	(2,926,555)
Accounts payable	524,127
Advance from grantors	(188,875)
Accrued liabilities	2,038,432
User taxes due to other governments	(49,013)
Net cash provided (used) by operating activities	<u>\$ 9,428,169</u>



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 June 30, 2021, 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
August 31, 2021

**SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
July 1, 2020 through June 30, 2021**

	2020-21 YTD Amended Budget	2020/21 YTD Actual	2020/21 YTD Amended Budget Variance (Under) Over	2020/21 YTD Actual / Amended Budget %	2020/21 Amended Budget	2020/21 Amended Budget Remaining
REVENUE AND OTHER SOURCES:						
Electricity (net of allowance) *	\$ 188,347,000	\$ 185,815,340	\$ (2,531,660)	99%	\$ 188,347,000	\$ 2,531,660
Evergreen Premium (net of allowance)	1,488,000	1,573,133	85,133	106%	1,488,000	(85,133)
Inflow from Operating Account Fund Reserves	4,630,000	-	(4,630,000)	0%	4,630,000	4,630,000
CEC Grant	2,974,000	2,156,414	(817,586)	73%	2,974,000	817,586
BAAQMD grant	50,000	225,200	175,200	450%	50,000	(175,200)
Interest income	750,000	427,517	(322,483)	57%	750,000	322,483
Miscellaneous Income	-	7,009	7,009	0%	-	(7,009)
Total revenue and other sources	198,239,000	190,204,613	(8,034,387)	96%	198,239,000	8,034,387

EXPENDITURES AND OTHER USES:

CURRENT EXPENDITURES						
Cost of energy and scheduling	167,024,000	165,480,489	(1,543,511)	99%	167,024,000	1,543,511
Data management	3,195,000	3,198,050	3,050	100%	3,195,000	(3,050)
Service fees- PG&E	969,000	966,753	(2,247)	100%	969,000	2,247
CCPower JPA	57,000	56,098	(902)	98%	57,000	902
Personnel	5,623,000	4,921,778	(701,222)	88%	5,623,000	701,222
Outreach and communications	1,130,000	896,272	(233,728)	79%	1,130,000	233,728
Customer service	383,000	304,309	(78,691)	79%	383,000	78,691
General and administration	615,000	523,389	(91,611)	85%	615,000	91,611
Legal	360,000	348,034	(11,966)	97%	360,000	11,966
Regulatory and compliance	397,000	114,228	(282,772)	29%	397,000	282,772
Accounting	217,000	200,250	(16,750)	92%	217,000	16,750
Legislative	28,000	-	(28,000)	0%	28,000	28,000
Other consultants	185,000	193,797	8,797	105%	185,000	(8,797)
CalCCA Trade Association	380,000	348,961	(31,039)	92%	380,000	31,039
Program implementation	3,199,000	3,772,766	573,766	118%	3,199,000	(573,766)
Program - CEC grant	5,561,000	4,259,257	(1,301,743)	77%	5,561,000	1,301,743
Total current expenditures	189,323,000	185,584,431	(3,738,569)	98%	189,323,000	3,738,569

OTHER USES

Capital outlay	8,916,000	9,965,696	1,049,696	112%	8,916,000	(1,049,696)
Total Expenditures, Other Uses and Debt Service	198,239,000	195,550,127	(2,688,873)	99%	198,239,000	2,688,873
Net increase (decrease) in available fund balance	\$ -	\$ (5,345,514)	\$ (5,345,514)		\$ -	\$ 5,345,514

* Represents sales of approximately 1,786,000 MWh for 2020/21 YTD actual.

RESERVES

	Current Balance	% of Long-Term Term Target	Long-Term Target Balance
Operating Cash Reserve	\$ 59,231,000	64%	\$ 92,133,000
Program Cash Reserve	10,845,000	59%	18,426,600
Collateral Cash Reserve	2,224,000	14%	15,943,600
	\$ 72,300,000	57%	\$ 126,503,200



431 E Street
Santa Rosa, CA 95404

sonomacleanpower.org

August 30, 2021

Attention: Better Together Resilient Communities Grant Program
Pacific Gas & Electric
77 Beale Street
San Francisco, CA 94105

Subject: Letter of Support for Communities of Lake County for Better Together Resilient Grant Program Application

Sonoma Clean Power (SCP) is pleased to offer this letter of support for Trane Technologies' application for the Better Together Resilient Communities Grant Program on behalf of communities in Lake County.

SCP is the community choice aggregation (CCA) serving customers in Sonoma and Mendocino counties. SCP retains a close relationship with our neighbors in Lake County and share a desire to develop local energy resources, reduce the cost and improve the reliability of clean energy, and mitigate the threat of increasingly frequent wildfires.

The Firemain Linked Auxillary Supply Hydraulic Energy Storage (FLASHES) proposed for communities in Lake County offers an inventive approach to increasing resiliency while also delivering clean energy when it's most needed. FLASHES will equip disadvantaged communities threatened by wildfires with greatly enhanced firefighting capabilities. Meanwhile, local energy generation and storage will alleviate the burden of Public Safety Power Shutoffs (PSPS), relieve local transmission constraints, and reduce the dependency on carbon-emitting generation to meet demand from peak load. The capabilities of FLASHES strongly align with the needs load serving entities like SCP desire in new resource development.

SCP is excited that the Better Together Resilient Communities Grant Program presents an opportunity for resource-constrained communities like those in Lake County to fund exploration and development of innovative projects like FLASHES. SCP urges the grant committee to support Lake County in this endeavor, which could be a model for other communities on how to develop cost-effective resiliency solutions that concurrently mitigate and abate the impacts of climate change.

Sincerely,

Geof Syphers
Chief Executive Officer



431 E Street
Santa Rosa, CA 95404
sonomacleanpower.org

September 24, 2021

Attention: Build Back Better Regional Challenge
Economic Development Administration
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Subject: Letter of Support for Lake County for Build Back Better Regional Challenge Application

Sonoma Clean Power (SCP) is pleased to offer this letter of support for Lake County's application for the Build Back Better Regional Challenge.

SCP is the public power provider serving customers in the two adjoining counties of Sonoma and Mendocino. SCP has a close relationship with our neighbors in Lake County and our customers share similar challenges in mitigating the local economic impacts of climate change. Our region is now frequently beset with large and catastrophic wildfires. In addition to putting the lives and homes of residents in peril, these disasters stress construction and housing resources, damage agricultural production, deter tourism, and cause significant economic harm. Concurrently, the reliance on power outside the region combined with climate-caused fire risk exposes us to large-scale power shutoffs of transmission lines that halt economic output for periods that can span days.

The Firemain Linked Auxiliary Supply Hydraulic Energy Storage (FLASHES) systems proposed in Lake County offer critical solution to increasing resiliency while also delivering clean energy when it's most needed. FLASHES will equip disadvantaged communities threatened by wildfires with greatly enhanced firefighting capabilities. Meanwhile, local energy generation and storage will alleviate the burden of power shutoffs, relieve local transmission constraints, and reduce the dependency on carbon-emitting generation to meet demand from peak load. The capabilities of FLASHES strongly align with the needs load serving entities like SCP desire in new resource development. SCP will closely monitor the success of FLASHES and explore replicating it throughout its service territory outside of Lake County.

SCP is excited that the Build Back Better Regional Challenge presents an opportunity for resource-constrained communities like those in Lake County to fund exploration and development of innovative projects like FLASHES. SCP urges the grant committee to support Lake County in this endeavor, which could be a model for our region on how to develop cost-effective resiliency solutions that concurrently mitigate and abate the impacts of climate change.

Sincerely,

Geof Syphers
Chief Executive Officer

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Staff Report - Item 09

To: Sonoma Clean Power Authority Board of Directors

From: Nathan Kinsey, Commercial Accounts Manager

Issue: Receive Informational Report on the 3rd Annual Spirit of Entrepreneurship Grant

Date: October 7, 2021

Recommendation:

Receive informational report on recipient of the 3rd Annual Spirit of Entrepreneurship Grant (Grant).

Background:

In the third year of awarding the Spirit of Entrepreneurship Grant, Sonoma Clean Power (SCP), Santa Rosa Junior College (SRJC) staff and SRJC students were again indirectly impacted by the COVID-19 Pandemic, keeping the ESHIP 106 course (an entrepreneurial decision-making process/customer discovery process class) held virtually. As this video conference interface has become the norm for students and the "Pitch Contest" entered year two of the online presentation platform, six students choose to participate this year.

For SCP's Commercial Accounts Manager, Nathan Kinsey, and Senior Customer Care Specialist, Danielle McCants, it's an honor to present the results and announce the recipient of the Grant. To allow for context to those Directors where this is the first time being on the Board when awarding of the Grant is presented, the following information is provided in relation to the overall purpose, structure, eligibility and selection process of the Grant.

Discussion:

Purpose of the Spirit of Entrepreneurship Grant: SCP's Spirit of Entrepreneurship Grant strives to develop sustainable entrepreneurs invested in a wide variety of sustainability enterprises. These can include but are not limited to: reducing greenhouse gas emissions; promoting energy efficiency; renewable energy; social & economic sustainability; and environmental stewardship.

Structure of the SCP Spirit of Entrepreneurship Grant: In advance of the fall 2019 semester at SRJC, SCP finalized an initial total not-to-exceed amount of fifty thousand dollars (\$50,000) in funding to the SRJC Foundation, which included forty thousand dollars (\$40,000) to be directly placed into the SRJC Foundation Endowment and ten thousand dollars (\$10,000) reserved for the in-and-out fund to be distributed to students for the academic year after the spring semester "Pitch Contest" is held around finals week for the course at SRJC. SCP continues to consider, subject to approval and appropriations from its governing board, options to provide additional funds in future years. As of September 2021, the Grant has now provided thirty thousand dollars (\$30,000) in student awards and resides with approximately one hundred fifty-five thousand dollars (\$155,000) in the SRJC Foundation. Although only one hundred twenty thousand dollars (\$120,000) has been placed in the SRJC Foundation Endowment by SCP thus far (\$40,000 in each of the last three years), the market investments made by the SRJC Foundation have had high returns. The investments are made by the SRJC Foundation with the Endowment funds, which are a part of their larger single portfolio managed by Morgan Stanley and overseen by the SRJC Foundation Investment Committee and the SRJC Foundation Board of Directors. The updated fund details were recently provided to SCP and confirmed by the SRJC Foundation, but these performance details will become formally available to the public when their annual 2020-2021 Endowment Fund Report is released in the first quarter of 2022.

Eligibility Guidelines: Participants in SCP's Spirit of Entrepreneurship Grant Competition must:

- Be an active student in good standing at SRJC;
- Maintain Satisfactory Academic Progress with SRJC;
- Be currently enrolled or completed the SRJC's Entrepreneurship Certificate Capstone Course (or any successor course, as approved by SCP) in the current academic year;

- Have played a significant role in conceiving the venture;
- Present a new venture/new business idea, or where the proposed entry is an existing business, the existing business must have received less than \$50,000 in institutional funding prior to the commencement of the grant competition;
- Present as part of the Course “Pitch Contest” at the end of the semester;
- All submitted materials must be the original work of the participant and/or team; and
- Participants may participate in the competition as part of a team, but each individual team member must satisfy all eligibility guidelines. There is no limit to the number of team members.

Competition Submissions: Participants, whether competing individually or in teams, must provide summary of their proposal, a business plan, and a model release form ten (10) calendar days prior to the last day of Final Examinations (the “Deadline”) that includes:

- Participant/Team Information, including contact information, expertise and summary of the proposal, consistent with course requirements;
- Funds needed to develop and support the entrepreneurial effort(s);
- How any awarded funds would be used;
- How the proposal would promote the purpose of the SCP Spirit of Entrepreneurship Grant.

Participants entering the competition as part of a team must also propose how any grant award would be shared and utilized by the team.

As noted above, participants/teams should adequately explain how their business plan would promote the purpose of SCP’s Spirit of Entrepreneurship Grant, including, without limitation: incorporating sustainable practices; reducing energy consumption; improving air quality; reducing fossil fuel consumption; expanding the use of renewable energy; promoting eco-friendly transit; conserving water & resources; and utilizing environmentally sensitive building materials.

By the Deadline, Participant submissions should be provided to SCP in an electronic form, using the online application at the grant application website and satisfy any other applicable Course requirements. Participants and teams agree to submit follow up information that SCP may reasonably request in connection with the entry.

Selection Criteria and Process: SCP will consider eligible entries based on the overall quality of the proposal, including, among other criteria the:

- Idea, including the originality, innovation, thoughtfulness and potential impact on a big problem;
- Product or service;
- Participant/team's preparation for launch;
- Participant/team's execution plan;
- Expertise of the participant/team; and
- Proposal's consistency with the purpose of the SCP Spirit of Entrepreneurship Grant.

SCP and SRJC personnel will also participate in a panel during the Pitch Contest to evaluate competition entries based on the criteria identified above.

SCP Spirit of Entrepreneurship Grant Amount: At the start of each semester, SCP will identify the maximum amount potentially available to participant(s)/team(s) competing for Spirit of Entrepreneurship Grant. The number of grant awards issued as well as the amounts awarded by SCP for each grant awarded will vary at the discretion of SCP and based on the factors associated with the semester's grant competition, including: the selection criteria; the quality of the participant/team proposals; the dollar amount requested; and the number of eligible entries.

Presentation of Awards: Winners will be announced annually prior to the conclusion of the semester. Awardees will be recognized at a subsequent SCP Board of Directors Meeting.

Potential Changes to Grant: Now in its third year, we feel the process and expectations are well established for both SRJC students and staff. However, there have been numerous changes with the course structure and difficulties establishing consistency. More than any structural change, refinements will be implemented in the selection/review matrix for SCP staff during the next Pitch Contest. This will help to establish expectations for the students across key areas for which they will be evaluated.

SCP Spirit of Entrepreneurship Grant Winners: While staff hopes the partnership with SRJC will build momentum and interest in the coming years, we were pleased to receive six submissions this year from the two semesters. Of these, SCP Senior

Customer Care Specialist, Danielle McCants, and Commercial Accounts Manager, Nathan Kinsey, evaluated and deliberated each submission in earnest and selected one submission to receive the Grant award. The following represents information for the Grant awardee:

Tori O'Neil - The Bark Yard - 1st Place, \$10,000

The Bark Yard is a dog park bar that provides a safe and social place for humans and canines to unwind. The environment is an active space for dogs in a secure area with cool down stations, small obstacles, and room to run. The dog area is visible to an outdoor eating/drinking patio where small bites, refreshments, and dog treats are served. The space will host events bringing dog owners (and wishful owners) together in a fun environment promoting a love for dogs.

Environmental Initiatives

- Reusable & washable aluminum cups for beverages
- Light installation of turf coverage over land
- Energy-efficient lighting and appliances to be offset by solar panel installations
- Dog waste - no individual bags allowed
- Natural outdoors location requires less heating/cooling systems
- Recirculating filtered water fountains for dog drinking water

Economic Initiatives

- Leasing winery land instead of purchasing for initial cost savings and increase profitability of business in early stages
- Direct marketing towards the greater Bay Area that visit wine country to help drive more tourists to Sonoma County as a destination

Social Initiatives

- Hosting monthly dog adoption events to re-home neglected pets
- Cross promotion of small local dog businesses - veterinarian offices, dog groomers, pet supply stores, dog boarding & daycare facilities
- Quarterly donations & sponsored promotions to give back to local dog organizations

While it was difficult to select only one submission, the material delivered by the award recipient stood out for their direct ties to SCP's grant requirements, as well as other unique characteristics submitted in their Business Plan and presented to the panel during the competition. As we continue to refine the Grant process over time, we are pleased to see students striving to make sustainable choices in their business plans and SCP is happy to assist local SRJC student entrepreneurs in achieving their goals.

Fiscal Impact:

This Grant reflected a \$50,000 (\$40,000 to the growing endowment and \$10,000 to the winner) budgetary expenditure from the Customer Service Department for the Fiscal Year 2020/2021.

Attachments:

None



Staff Report - Item 10

To: Sonoma Clean Power Authority Board of Directors

From: Claudia Sisomphou, Communications Specialist

Issue: Receive Update on Empower (SCP's Community Engagement, Education, and Outreach)

Date: October 7, 2021

Recommendation:

Receive a presentation on the evolution of Empower, an Agency-wide endeavor to improve the relevance, reach, and impact of SCP's partnerships, community offerings, and education, engagement, and outreach efforts. Provide detailed input on the questions in the Key Questions section.

Background:

While reviewing applications for the Community Outreach (event sponsorship) program, the Marketing team noted that there were a number of requests to sponsor community projects and efforts which aligned well with SCP's values, but fell outside of the program's guidelines. Because of limits on resources (both budget and staff time), it was important that every granted request clearly fell within the set criteria. However, without any other means of support to offer, every denied request felt like a missed opportunity to engage with a community group or organization that had proactively reached out to SCP.

This recognition opened the door to a larger discussion around SCP's Public Relations and Marketing department's existing strategies for community engagement and outreach, as well as how the Agency's needs had shifted over the years. Brand awareness, business relationships, and name-recognition had been major priorities of the department's education and outreach efforts for SCP's first few years of service.

Today, those efforts have served the Agency well, as most residents and businesses in Sonoma and Mendocino counties are aware of Sonoma Clean Power.

However, through countless interactions with customers, the breakdown of participants in SCP's customer programs, and qualitative data provided by recent focus groups, it is evident that there is still confusion around what Sonoma Clean Power is, what services it provides, how it operates (individually, and in relation to PG&E), and why customers see SCP charges on their bill. There was also internal acknowledgment that SCP has struggled to reach and engage with certain customer groups, including those who are low-income, Spanish-speaking, renters, and living in underserved communities.

These challenges are common among electric power providers, with most utilities accrediting their community engagement to donations and occasional participation in live events. Nevertheless, SCP staff believe that the status quo is not a good enough bar for SCP to be measured by.

To tackle this problem, the Marketing team began reevaluating the effectiveness of its existing community education, engagement, and outreach efforts, and began developing Empower to guide the cultivation of new Marketing strategies and its allocation of resources. The more that Marketing thought about its goals and target audiences, the more obvious it became how intertwined its efforts were with other departments, from first interactions with the public all the way through planning and development, and beyond.

What started as a plan to better support the work of local organizations, increase customer participation, and build community trust, has now presented the opportunity for an Agency-wide shift in how SCP operates. Better quality outreach and engagement will inform and improve the effectiveness of SCP's programs, services, partnerships, and offerings. To produce valuable benefits, SCP must not only garner public input from across the service territory and different demographic groups, but also invite the input to change, halt, and expand the work SCP does.

With Empower at the core of how SCP allocates its resources, evaluates partnerships and new ideas, identifies customer groups to engage with, and tracks progress and measures success, SCP will be an Agency that better serves and supports **all** its customers and communities.

The areas for improvement that Empower seeks to focus on, in no particular order, are:

1. Building Partnerships
2. Customer Education
3. Focus on Equity
4. Engaging Youth

Key Questions:

As SCP staff work to develop Empower and put it into practice, staff seek the help and guidance of the Committee, the Board, and the public. At this early stage, staff request input and discussion on the following:

1. Are there local organizations, cities, or agencies that have notably effective community engagement and/or education programs? What makes these efforts effective?
2. What examples of community projects or efforts do you know of that listened to the considerations and concerns of its constituents, and did a great job incorporating public feedback into the final policy or action?
3. How can the Board of Directors best support SCP in Building Partnerships, Customer Education, Focusing on Equity, or Engaging Youth?

Fiscal Impact:

In the first year of implementation, the Public Relations and Marketing department will dedicate \$40,000 of its approved budget toward implementing Empower. These funds will offer financial support to the SCP community and customers in a variety of ways, including community grants of up to \$2,000 (max of 20 recipients per fiscal year), providing giveaways and food & beverages at public forums or workshops that SCP co-sponsors, offering matching donations to nonprofits and community organizations, and assisting partners with event, program, or project expenses when appropriate and on a case-by-case basis.

As some of SCP existing efforts fall under the umbrella of Empower, other departments may also contribute financially to addressing one or more of the four

areas for improvement. For example, existing scholarships, grants, or partnerships that are currently managed and funded by other departments (e.g., Spirit of Entrepreneurship Grant, SWITCH Vehicle Program, 10,000 Degrees Scholarship).

Attachments:

None

Empower

Presentation to SCP's Board of Directors
October 7, 2021

1

Overview

- Vision
- Background
- Areas for improvement
- Next steps

2

Key questions

1. Are there local organizations, cities, or agencies that have notably effective community engagement and/or education programs? What makes these efforts effective?
2. What examples of community projects or efforts do you know of that listened to the considerations and concerns of its constituents, and did a great job incorporating public feedback into the final policy or action?
3. How can the Community Advisory Committee members best support SCP in Building Partnerships, Customer Education, Focusing on Equity, or Engaging Youth?

3

Vision

Empower is an Agency-wide endeavor to improve the relevance, reach, and impact of Sonoma Clean Power's partnerships, community offerings, and education, engagement, and outreach efforts.

4

Background

- Started with the Community Outreach (event sponsorship) program
- Led to identifying gaps within SCP's current outreach and engagement efforts
- More customer engagement will lead to better offerings and services; and vice versa
- SCP's programs and community efforts already moving in this direction

5

Purpose

- Empower is *not* just a PR/Marketing plan
- Acts as an umbrella for existing efforts and a guide for future efforts
- Gives SCP a way to track progress and measure success
- Will help SCP better meet the needs of customers and the community

6



Areas for improvement

1. Building partnerships
2. Customer education
3. Focus on equity
4. Engaging youth

7

Building partnerships

Intent

Identifying more opportunities to partner with other local agencies, member-cities and counties, nonprofits, and community groups on initiatives, customer offerings, public forums, events, and more.

8

Building partnerships

Benefits

- Positive exposure to partners' volunteer, client, or recipient base
- Wider distribution of information about SCP's services and offerings
- Improved level of community trust; power of "word-of-mouth"
- Valuable channel for feedback and community input

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Building partnerships

What this could look like

- Hosting groups in the Advanced Energy Center
- Partnering with commercial customers on campaigns and events
- Regularly having open-ended conversations with city/county staff, community leaders, and organizations

10

Customer education

Intent

Going “back to the basics” - Putting common customer misconceptions, questions, and concerns about SCP’s charges, services, and relationship to PG&E at the forefront of SCP’s education and marketing efforts.

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Customer education

Benefits

- Better-informed customers and community
- Higher participation in services and programs
- Fewer opt-outs and negative misconceptions
- Improved level of community trust

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Customer education

What this could look like

- Proactively reaching out to groups and workplaces to offer lunch-n-learns and informational workshops
- Providing more casual and frequent opportunities for customers to provide input on annual/biannual SCP efforts
- Working with local social media “Creators/Influencers” to leverage their reach and follower-base

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Focus on equity

Intent

Dedicating more of SCP’s time and resources to engaging with our low-to-moderate income (LMI), CARE/FERA, Spanish-speaking, impacted, and underrepresented communities.

14

Focus on equity

Benefits

- Meeting the needs of more customers, especially those who are under-resourced
- Wider participation in services and programs across demographic groups
- Works simultaneously with Programs Equity Framework (opening channels for community input and engagement)
- Genuine attention toward core brand pillars – innovative, practical, inclusive

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Focus on equity

What this could look like

- Addressing barriers that prevent customers from participating in our offerings
- Creating programs and electric rate plans the work for renters, seniors, and other general customer categories
- Working with trusted community centers and providers of human services
- Ensuring a bilingual SCP staff member is present at events

16

Engaging youth

Intent

Inviting youth to be part of SCP's discussions, initiatives, programs, planning, and outreach efforts.

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Engaging youth

Benefits

- Helping the next generation mitigate and adapt to the impacts of climate change
- Education not only for the students, but for their households as well
- Increases the number of environmentally-conscious professionals and community members
- More opportunities to support a sustainable, local workforce

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Engaging youth

What this could look like

- Sponsoring local youth climate action groups and energy education programs
- Partnering with schools, colleges, after-school programs, youth camps, local organizations, and libraries
- Supporting programs that focus on local workforce development

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Recap

Four areas for improvement

1. Building partnerships
 2. Customer education
 3. Focus on equity
 4. Engaging youth
- SCP already has efforts that support Empower
 - Developing and implementing programs and offerings that make sense for our customers and community

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Related Agency efforts

- Local Resource Plan
 - Integrated Resource Plan
 - Resource Adequacy
 - Programs Equity Framework
 - Market research and focus groups
 - G.O. 156 - New CPUC requirements on supplier diversity and reporting.
- SCP's 2021 Goals:
 - #2 - Retain customer participation rate of at least 86%
 - #5 - Expand efforts to support diversity, equity, and inclusion (DEI)
 - #6 - Leverage the Advanced Energy Center
 - #7 - Lift up the community

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Next steps

- Incorporate feedback from the BOD, CAC, and the public
- Return to the CAC/BOD with plan for implementation
- Continue to receive input from the BOD, CAC, and the public
- Learn what works and what doesn't as we start to implement

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Closing thoughts

THANK YOU for your time and participation!

Email us at community@sonomacleanpower.org



Staff Report - Item 11

To: Sonoma Clean Power Authority Board of Directors

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

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

Date: October 7, 2021

Requested Action:

Receive Legislative and Regulatory Updates and provide direction as appropriate.

Regulatory Update:

CPUC President Marybel Batjer announced she will step down at the end of 2021, leaving an important vacancy for Governor Newsom to fill. SCP is reaching out alongside its partner CCAs around California to seek out candidates who will represent public interests on rates, safety and climate issues, and hold the regulatory process accountable to the public.

Net Energy Metering Successor Tariff

On September 10th, parties filed closing briefs in the Net Energy Metering Successor proceeding (R. 20-08-020). The central issue in scope is how NEM should be modified to reduce cost shifts to non-participating customers while also supporting the installation of distributed generation.

The CPUC intends to issue a Proposed Decision in December directing the investor-owned-utilities what rate of compensation they must offer customers. SCP's policy has been to always offer customers a more generous credit for their rooftop solar systems than what PG&E offers.

As background, NEM provides financial support to customers installing onsite clean energy systems. This is in addition to investment tax credits. When a customer installs a solar system (or other generating technology), PG&E will install a special meter that

measures how much electricity is being put into the grid by the system (energy generated exceeding the customer's energy needs) and how much electricity is being used by the home or business from the grid (energy consumed) and calculates the amount of net energy consumed or generated.

In the California energy market, the peak demand for grid power now occurs near or after sunset for 9 or 10 months of the year, when solar power is dramatically reduced or no longer available. In SCP's territory, where a substantial amount of solar electric capacity has been installed by customers, the amount of power that must be generated from sources other than solar rapidly increases in late afternoon and peaks in the mid-evening hours. The enormous success of solar deployment over the last decade now presents a market dynamic where each additional solar panel producing energy during mid-day reduces the value of all energy generated during that time.

This reduction in the value of mid-day energy was part of what drove the SCP Board of Directors to adopt a revision to our net energy metering program in December of 2019. Specifically, to provide a credit to customers who generate more energy than they use that is reflective of the wholesale price of energy when it is produced, called the "net surplus compensation." The Board - with input from the CAC - directed staff to provide a net surplus compensation rate at double PG&E's average rate. This is known as SCP's Premium Net Surplus Compensation (PNSC) rate. The first payments at this higher rate were issued to customers with credits over \$100 last Spring. Balances below \$100 are rolled over into future bill cycles.

The CAC and Board determined that this PNSC rate ensured that:

- Incentive funds are effectively reducing greenhouse gas emissions in our communities;
- SCP's financial resources are being used in an efficient manner that keeps rates competitive for all customers;
- Incentives help drive behavior and purchase decisions that lower customer energy costs and support climate benefits;
- Customers are incentivized to install local distributed energy resources and help drive the "solar plus" market, specifically the energy storage market;
- This program, like all SCP programs, is highly accessible to a diverse population of customers.

Power Charge Indifference Adjustment ("PCIA") Allocation of Utility Resources

On July 26th, the three investor-owned-utilities ("IOUs") held a public meeting with interested parties to discuss the IOU proposal for allocating the renewable attributes of resources in their portfolios to CCAs and ESPs. This meeting was required by the CPUC in advance of the IOUs submitting a filing describing the details of this proposal. Overall, the proposal was reasonable in light of the Decision. However,

SCP staff will continue to monitor and engage as necessary. Responses to the utility filing outlining the specific details for allocations are due on September 13th.

As background, in May of this year the CPUC declined to grant CCA customers equal access to the attributes generated by IOU resources they are forced to pay for through the PCIA. The one attribute that Decision did find CCA customers should have access to is the renewable nature of energy generated by utility portfolios. These renewable attributes, called Renewable Energy Credits or "RECs" are required by statute for Renewable Portfolio Standard ("RPS") requirements. It is expected that this mechanism will be implemented by Q1, 2023. Once adopted, CCAs will have the option to decide whether customers receive a financial credit for the renewable premium in utility contracts – as is the case today – or if instead the CCA receive the REC attribute.

PG&E General Rate Case "GRC" Application

On July 1st, PG&E filed their 2023 Phase I GRC application which covers the 2024, 2025, and 2026 years. PG&E proposes to have a second and third track of this Phase I GRC to request reasonableness review of certain memorandum and balancing account costs to be recorded in 2021 and 2022. PG&E is requesting a 9.6% total company revenue increase over currently authorized and requested base rates for 2022.

PG&E says that approximately 75% of the requested revenue requirement increase is for risk reduction to its gas and electric operations. Approximately 50% of the requested revenue requirement increase over 2022 is for wildfire reduction work, including vegetation management programs. PG&E forecasts investing approximately \$3.2 billion in expense and \$4.2 billion in capital during the 2023 to 2026 period to address wildfire risk.

PG&E is requesting a 48.2% increase in Electric Distribution and 1.1% increase in Electric Generation (EG) cost functionalization categories. They are also proposing to allocate to electric transmission and electric distribution because wildfire liability risks are associated almost entirely with electric facilities. In practice, this means that all customers will pay for these liability risks.

If this initial Application were granted entirely as requested by the utility, a typical residential customer using 500 kWh of electricity and 33 Therms of gas would see their 2023 bill increase by \$25.19 (18.1%) and \$10.81 (18%), respectively, relative to 2021 bills.

SCP staff are heavily engaged in this proceeding and plan to litigate this Application over the next year. Following an initial protest of the Application, staff will issue discovery requests to better understand the assumptions contained in the underlying data and will later submit testimony and briefings. Staff's guiding principles in this proceeding are as follows:

1) Shareholders must be held accountable for utility performance and subjected to risk comparable to the 10.25% return on equity their investment generates;

2) Management must demonstrate absolute transparency in decision making and provide data supporting all underlying assumptions, analyses, and explain how alternative solutions were evaluated;

3) Additional investments that are deemed necessary to maintain public safety and/or reduce PG&E's reliance on the PSPS strategy should be clean, cost-effective, and temporary.

CalCCA Exploring Joint Action to Intervene in All of PG&E's Rate Cases

With the recent notice from PG&E requesting major increases in rates over the next few years, and following a period where PG&E's rates have escalated an average of 7% each of the past several years, Northern California members of CalCCA are exploring creating a joint team to strongly intervene on behalf of ratepayers in all of PG&E's important rate cases. If this goes forward, it would mean building CalCCA's technical, regulatory and legal team to engage in PG&E's annual ERRA and quadrennial GRC cases to advocate for fair rates, equitable investments, and to find waste and inefficiencies. Staff will report out more on this topic and CalCCA works to development the proposal.

Legislative Update:

The 2021 legislative session has ended, and staff provide some year-end updates here.

COVID-19 continued to impact the Legislature's process and agenda this year, as the delta variant delayed hopes of full reopening. The Governor's attention on the recall campaign also affected many issues starting in May. Many of the more controversial bills died or got deferred to 2022. The bills SCP tracked that got signed into law were the non-controversial ones.

The Governor signed AB 170 which contains the Climate Resilience Budget Package, committing to spending \$15 billion over the next three years on forest management to increase forest resilience and reduce the destructiveness of wildfires, on projects to address both drought and flood risks, on electric cars, buses and transit, on carbon sequestration in farming and land management, and on responding to extreme threats in coastal areas from sea-level rise and inland areas with extreme heat. A brief summary of the package is attached to this report.

As reported earlier this year, SB 612 (Portantino) was delayed to 2022 by Chair Holden in the Assembly. This was CalCCA's bill to provide ratepayer equity on the allocation of excess power resources to the customers who pay for those resources. Despite getting the bill delayed, CalCCA made considerable progress in connecting with environmental justice groups and public advocates, which will help us fight for ratepayer equity in the future.

The Customer Arrearages Payment Program (CAPP) to partially reimburse utilities for customer nonpayment during the economic challenges of COVID was a major focus. CalCCA and a coalition of CCAs, including SCP, worked very hard to ensure CCAs got added to the types of utilities, and we were successful. While it's too early to know the ratepayer cost reduction this will provide for SCP's customers, it is likely a significant amount and staff will return to report further as we know more.

CalCCA fought and successfully killed the proposal to require the Department of Water Resources to buy the Eagle's Crest pumped hydro storage system and assign those costs to CCAs and IOUs. The budget trailer bill would have prevented CCAs from procuring other environmentally preferred storage projects and also was directed to a project whose need was not identified by CAISO or the CPUC.

AB 843 (Aguiar-Curry) was signed by the Governor, allowing CCAs to shift a portion of the money IOUs spend on small-scale bioenergy into preferred generating projects. SCP heard and shared the concerns associated with forest biomass power and found CCAs to have greater interest in capturing leaking methane and setting higher standards for environmental performance than currently in place at the IOUs.

AB 525 (Chiu) was signed into law and directs the CEC to develop a strategic plan for developing offshore wind in California, in support of the significant need for baseload renewable energy. Redwood Coast Energy Authority, Humboldt County's CCA, and also Central Coast Community Energy sponsored this bill because of the potential development areas off those coasts.

Finally, the California Hispanic Chamber of Commerce recently released a report entitled “Failure to Diversify: California’s Community Choice Aggregators Are Woefully Behind in Contracting With the State’s Diverse Small Businesses,” causing quite a stir. The report picks up on the CPUC’s Government Order 156 (“GO-156”) summary, which noted that CCAs in their first year of reporting had a significantly lower percentage of total contract value with companies owned by women, minorities, disabled veterans, and LGBT people. In reviewing the matter, SCP staff, CalCCA and California Energy Markets found the actual performance of CCAs was much better than noted in the Chamber’s report for several reasons:

First, CCAs are chiefly involved in power generation, where fewer than 30 companies are registered with GO-156 out of 8,000 registered firms. IOUs do nearly all of their GO-156 contracting in non-CCA activities, so comparing total contracting is not appropriate. When comparing CCAs against PG&E’s contracting in power generation, CCAs are doing a bit better than PG&E, though it is important to note that power generation is dominated by extremely large corporations none of which are eligible under the GO-156 program.

Second, CCAs are governments which means that due to Prop 209 it is a crime for a CCA to specifically contract with GO-156 organizations because of their GO-156 status. No targeted contracting is allowed. All progress on GO-156 contracting for CCAs is therefore only achieved by pursuing other related goals, such as local contracting and small business contracting, and by encouraging existing suppliers to register with GO-156. CCAs perform very well on these metrics, and SCP has encouraged the CPUC to consider allowing CCAs to track and report these goals.

Despite these factors, staff note that no electric providers are doing great at contracting with GO-156 eligible firms and that some of the structural policy barriers need to continue to be challenged. SCP’s Board supported ACA-5, which would have removed Prop 209’s prohibitions on targeted contracting, but ultimately the voters rejected the idea. However, continued efforts to improve policy should be explored.

CalCCA recently met the California Hispanic Chamber to discuss how local governments working through CCAs can further advance social and racial equity in the energy sector. We hope to continue to build that relationship as we head into next year.

Attachments

- California Comeback Plan

The logo for the California Comeback Plan features the word "CALIFORNIA" in orange and "COMEBACK PLAN" in white, both in a bold, sans-serif font, set against a blue rectangular background. This central element is flanked by two horizontal orange bars.

CALIFORNIA COMEBACK PLAN

NATION-LEADING \$15B+ CLIMATE PACKAGE

Biggest state climate package in history to combat the climate crisis and protect communities

-
- **Over \$15 billion investment to tackle the climate crisis, combat catastrophic wildfires, support immediate drought action, race forward on our zero-emission vehicles goals, and build the resilient California of the future**
-

Governor Newsom has taken bold action to combat the climate crisis, implementing nation-leading measures such as requiring that all new cars sold be zero-emission by 2035, protecting 30% of California by 2030, and advancing environmental justice and climate resilience.

Building on this leadership, Governor Newsom's California Comeback Plan will make the largest state climate investment in history – more than \$15 billion over the next three years for the state's nation-leading climate agenda, bolstering California's strategy to combat climate change and protect our communities. **This integrative climate agenda includes investments to build wildfire resiliency, address drought impacts and bolster water resilience, protect vulnerable communities from climate risks, advance the state's zero emission vehicle goals, promote climate smart agriculture, and support the circular economy.**

Collectively, this multi-year package worth over \$15 billion will protect Californians from the impacts of climate change and build our climate resilient future:

\$1.5 BILLION WILDFIRE AND FOREST RESILIENCE PLAN

Committing \$1.5 billion to support a statewide strategy to bolster forest and wildfire resilience – the largest such investment in state history – to increase the pace and scale of fuels management measures, including:

- \$825 million to create more resilient forests and landscapes through forest health and improvement programs and state land stewardship.
- \$494 million for wildfire fuel break and fuel reduction projects, fuel reduction and prescribed fire hand crews, and local fire prevention grants.
- \$47 million in funding for home hardening in vulnerable communities, CAL FIRE defensible space inspectors, and public education and outreach efforts.
- \$82 million for science-based solutions to scale up fuel treatment and forest restoration.

The logo for the California Comeback Plan features the word "CALIFORNIA" in orange and "COMEBACK PLAN" in white, both in a bold, sans-serif font. The text is centered within a blue rectangular box. This box is flanked by two horizontal orange bars, one on the left and one on the right, creating a symmetrical design.

CALIFORNIA COMEBACK PLAN

\$5.2 BILLION WATER AND DROUGHT RESILIENCE PACKAGE

An unprecedented \$5.2 billion over three years to support immediate drought response and long-term water resilience to help fund relief projects and build up the necessary infrastructure, including:

- Over \$3 billion to improve water supply security and reduce flood risk, including investments in drinking water and wastewater infrastructure, with a focus on small and disadvantaged communities; groundwater cleanup and water recycling projects; Sustainable Groundwater Management Act implementation; and multi-benefit flood-risk reduction projects.
- \$815 million for emergency drought relief projects that help secure and expand water supplies; small supplier and rural community drought contingency planning and preparedness projects; and multi-benefit land repurposing to provide long-term, flexible support for water users.
- Over \$1 billion for nature-based solutions such as habitat restoration to protect and conserve California's diverse ecosystems and wildlife corridor and fish passage projects to improve the ability of wildlife to migrate safely.

\$3.7 BILLION CLIMATE RESILIENCE PACKAGE

Providing \$3.7 billion over three years to build resilience against the state's multi-faceted climate risks in the communities bearing the brunt of climate change, helping prepare communities for extreme heat, sea level rise, and the other effects of climate change:

- \$800 million to address the impacts of extreme heat through programs including urban greening, funding to enable low-income families to reduce their energy bills by making their homes more energy efficient, community resilience centers to provide cooling and other services and funding to advance the Extreme Heat Framework as part of the state's Climate Adaptation Strategy.
- \$819 million to bolster community resilience through programs such as the California Climate Action Corps; the Transformative Climate Communities Program to fund community-led development and infrastructure projects that achieve environmental, health and economic benefits in disadvantaged areas; and the Environmental Justice Small Grants Program to support nonprofits and tribal governments to address issues like extreme heat and air pollution.
- \$612 million to protect against sea level rise, including funding for the Ocean Protection Council and State Coastal Conservancy to implement coastal protection measures and for the Department of Parks and Recreation to advance a sea level rise adaptation strategy to protect state parks.

\$3.9 BILLION ZERO EMISSION VEHICLE PACKAGE

The logo for the California Comeback Plan features the word "CALIFORNIA" in orange and "COMEBACK PLAN" in white, both in a bold, sans-serif font, set against a blue rectangular background. This central element is flanked by two horizontal orange bars.

CALIFORNIA COMEBACK PLAN

Nation-leading zero emission vehicle (ZEV) agenda that invests \$3.9 billion to hit fast forward on California's ZEV goals, continuing leading the transition to ZEVs on a global scale and preventing emissions:

- Over \$1 billion to put 1,000 zero-emission school buses, 1,000 zero-emission transit buses, and 1,000 zero-emission drayage trucks on the roads, as well as building the necessary infrastructure on California roads.
- \$925 million to invest in consumer adoption of ZEVs, with a focus on priority populations. This includes an expansion of Clean Cars 4 All that incentivizes low-income Californians to scrap their old car and replace it with a new or used advanced technology car, and funding for consumer rebates for new ZEV purchases through the Clean Vehicle Rebate Project.
- \$500 million for clean trucks, buses, and off-road equipment programs that support the equitable transition of the transportation sector to zero-emission and provide critical air quality and health benefits to communities.
- \$407 million for zero-emission rail and transit equipment purchases and infrastructure, and leasing state-of-the-art clean bus and rail equipment that helps eliminate fossil fuel emissions and increase intercity rail and intercity bus frequencies.

\$1.1 BILLION TO SUPPORT CLIMATE-SMART AGRICULTURE

California is committing \$1.1 billion over two years to support sustainable agriculture practices and create a resilient and equitable food system amid climate-driven drought and extreme heat challenges.

- Over \$127 million to bolster more resilient and equitable food systems, including funding for the California Farm to School Incubator Grant Program that expands healthy food access in schools while supporting farmers; the Farm to Community Food Hubs Program to facilitate the distribution of local, farm-fresh food to the public institutions and non-profit organizations; and assistance for urban farmers and community-based organizations.
- \$916 million to promote climate smart agriculture, including funding for cleaner agricultural vehicles and engines, grants for alternative manure management and dairy digester projects to reduce methane emissions, incentives for alternatives to agricultural burning in the San Joaquin Valley, and technical assistance for the development of farm conservation management plans and groundwater management.
- \$57 million to support economic recovery and high-road job growth in agricultural communities, including funding for beginning farmer training and apprenticeship programs and technical assistance to underserved farmers.

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Staff Report - Item 12

To: Sonoma Clean Power Authority Board of Directors

From: Geof Syphers, CEO
Ryan Tracey, Director of Planning & Analytics
Deb Emerson, Managing Director

Issue: Approve Resolution Creating a Geothermal Opportunity Zone

Date: October 7, 2021

Recommended Actions

Staff are requesting that the Board of Directors ("Board") approve a resolution creating a Geothermal Opportunity Zone. The resolution is attached as Appendix 2 to this report.

Background

The California grid increasingly relies on intermittent renewable resources like solar and wind to meet climate objectives. More recently, battery storage is being deployed at scale to extend the capability of the current renewable fleet to provide power in evenings. However, very limited growth has occurred for clean baseload resources like geothermal that will be needed to provide reliability in cloudy and windless weather.

Earlier this year, SCP staff began investigating opportunities to develop more geothermal locally. After engaging a group of geothermal technology and development companies, SCP identified a potential opportunity to create a partnership with SCP's member counties and position SCP as a large electric off-taker to accelerate the development of a valuable baseload clean energy resource and directly benefit the local economy.

Discussion

A memo outlining the objectives, context, and next steps of implementing a Geothermal Opportunity Zone is attached as Attachment 1 to this report.

Fiscal Impact

There is no direct financial impact from creation of the Geothermal Opportunity Zone, but SCP will expect to contribute funding and staff time to pursue projects over time. These resources will be used to address regional-scale barriers to geothermal development, including permitting and transmission constraints and will be introduced for separate review and approval to SCP's governing board.

Attachments

- Attachment 1 - Geothermal Opportunity Zone Proposal Memo
- Attachment 2 - Resolution Establishing the Sonoma-Lake-Mendocino Geothermal Opportunity Zone



Geothermal Opportunity Zone Proposal

Sonoma Clean Power (SCP) is exploring the formation of a Geothermal Opportunity Zone (GeoZone) in the Counties of Sonoma, Lake and Mendocino to encourage and support the development of geothermal electric power and research new types of geothermal technology. These technologies have the potential to lower costs, minimize environmental impacts, and reduce the need for water.

The success of solar power has led to a new challenge: California now needs a lot of renewable energy that runs when the sun isn't shining to meet its climate goals. With the technology we have today, only offshore wind and geothermal have the potential to meet the scale of this challenge. Locally, we have world-class geothermal potential that can directly address this need.

How does geothermal energy work?

The earth has a constantly-regenerating source of heat that is transferred from the core to areas near the surface by conduction and the flow of magma underground. There are areas in the world where magma exists particularly close to the surface and significantly elevates subsurface temperatures. This condition is particularly pronounced in the GeoZone, where a thermal anomaly exists that is associated with the Clear Lake Volcanic Field.

Power is produced by using geothermally heated rock to transfer heat to water that expands as it converts to steam. That expanding steam is used to spin a turbine and generate electricity. At the Geysers, fully-treated wastewater is pumped from Santa Rosa, Windsor and Lake County to replace the steam that is lost to evaporation. New technologies discussed below have the potential to recapture some of the steam and reduce the amount of water required to generate geothermal power.

What is the need for geothermal?

The Preferred System Plan (PSP) portfolio released by the California Public Utilities Commission (CPUC) estimates 1.2 GW of new geothermal resources will be required by 2030 to achieve emissions and reliability targets and 2.3 GW by 2045. This is on top of retaining 1.6 GW of existing geothermal capacity. Northern California is anticipated to contribute a quarter of the required new capacity (over 600 MW by 2045). The CPUC has ordered load serving entities to procure 1 GW of firm zero-emitting resources by 2026 to accelerate

development of geothermal resources. Given the complexity of permitting and development, this timeline requires rapid action.

Opportunities to expand capacity at the existing Geysers geothermal field with conventional steam plants are limited by the availability of water to inject for pressure maintenance and the extent of reservoir permeability, and such water constraints are not expected to improve over time as forecasts predict more frequent droughts. However, recent technological advances in the geothermal industry could enable widespread development with reduced water use constraints while also minimizing resource assessment risk. To get started, however, these new technologies need a proving ground.

Why create an opportunity zone?

The Counties of Sonoma, Lake and Mendocino contain the largest operational geothermal resource in the world. This provides us with an opportunity to forge a partnership to actively support the development of geothermal power. With SCP staffing and financing, we can begin to identify and mitigate barriers to development while advocating for federal and state funding.

A GeoZone would create a lower-risk opportunity for geothermal development by having SCP act as a public advocate for grants to cover some or all the above-market costs for new technologies. SCP could also potentially be a purchaser of the energy generated. The GeoZone would create a clear opportunity to advocate for federal tax credits and priority for critical grid infrastructure.

SCP would seek to create opportunities for the three counties to lease publicly owned land, increase employment opportunities for the local workforce, and increase the local tax base. SCP is also interested in testing geothermal technologies that have significantly lower water needs than the existing facilities in anticipation that the reclaimed water used at the Geysers will have increasing value for other uses as droughts worsen.

Success in the GeoZone will provide SCP customers with a clean energy resource that is reliable, local, affordable, and sustainable. Proactively identifying development barriers, establishing relationships with developers, and advocating for public funding and infrastructure will drive down the cost of geothermal energy, which currently commands a premium.

Should the Counties of Sonoma, Lake and Mendocino agree, a prospective boundary for the GeoZone is shown in Figure 1. Available data from the National Renewable Energy Laboratory (NREL) indicates that the thermal anomaly underlying the Geysers is regionally extensive through much of Lake County and adjacent sections of Mendocino and Sonoma counties. The area also hosts a dense network of high voltage transmission capacity. This prospective boundary has been used to guide preliminary work on the potential GeoZone described later in more detail.

Figure 1. Map of Geothermal Opportunity Zone and Existing Infrastructure

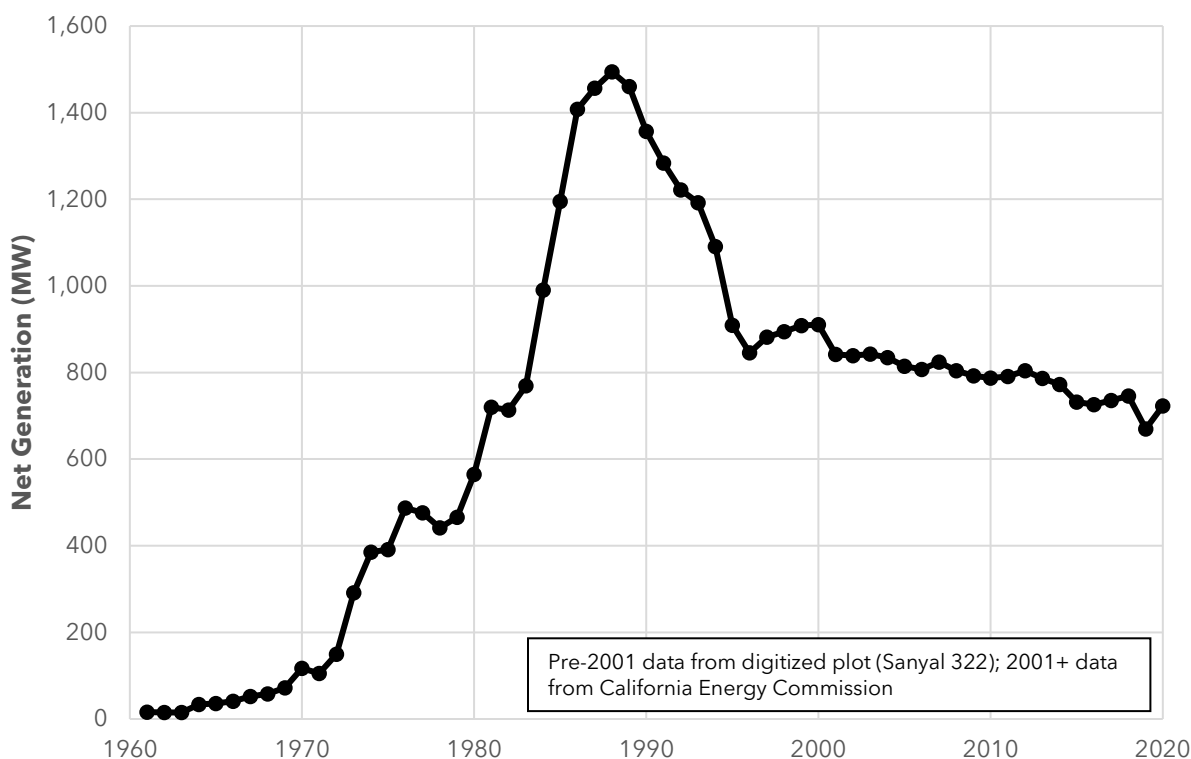


What is the status of the existing geothermal resource?

Existing geothermal development employs conventional hydrothermal technology that requires a geologic heat source, subsurface permeability, and water to generate power. The geographic area with proven characteristics for conventional development is limited to the area in and around the existing Geysers field on the border between Sonoma and Lake counties.

There are currently fifteen active plants in the Geysers field generating around 700 MW of net power. Figure 2 below charts the historic generation of the Geysers starting with PG&E's first 11 MW plant in 1960 and peaking near 1,500 MW just before the newest geothermal plant (Aidlin) was commissioned in 1989. All existing plants at the Geysers utilize dry steam generation technology.

Figure 2. Historic Net Generation Output of the Geysers Field



After precipitously declining due to reservoir depletion, generation stabilized in 1997 after startup of an injection project fed from a Lake County wastewater pipeline. In 2003, a second pipeline from Santa Rosa provided additional injection capacity allowing 80% to 90% of produced fluids to be replaced (Khan 2). By 2010, these two projects were estimated to be avoiding 155 MW of projected capacity decline at the Geysers (Khan 2). In total, 15 million gallons per day or 16,000 acre-feet per year of treated wastewater are injected into the reservoir (Calpine). Although the energy requirements for delivering the injection water are significant (9 MW for the Santa Rosa system), they are small compared to the net generation impact. It appears current injection volumes are sufficient to sustain Geysers generation, but any additional capacity will require increased injection volumes or new generation technology that reduces the amount of water needed per MW generated.

What new technologies may enable additional resource development?

New geothermal technologies offer the opportunity to reduce water usage, shrink the surface footprint, and expand the geographic range of geothermal power production.

Figure 3 illustrates the current technology in use at the Geysers. Wastewater is injected from the Santa Rosa Subregional System and from Lake County to maintain mass balance of water in the reservoir. That water is heated to steam by hot rock in the reservoir, produced, and run through a turbine. Today, most of the water is allowed to evaporate up at the surface, along with geologic emissions (including carbon dioxide). Most existing wells are vertical, requiring extensive flowlines at the surface to connect wells to surface facilities.

Figure 3. Existing hydrothermal / dry steam technology

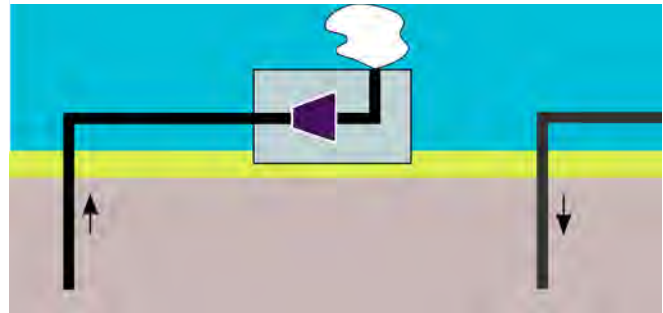


Figure 4. New binary technology

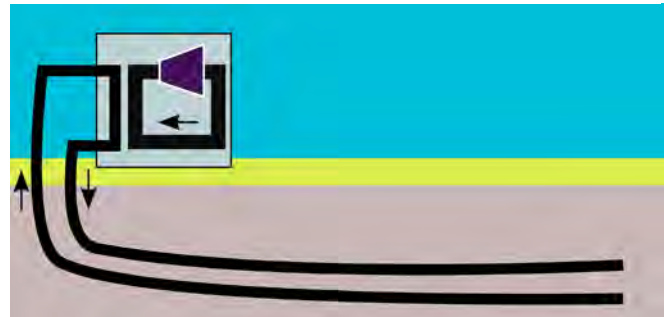


Figure 4 demonstrates the advantages of new technologies available for geothermal development. Instead of evaporating, the steam is run through a heat exchanger that transfers heat to a separate closed-loop system powering the turbine (binary system). Most of the water is then returned to the reservoir through injection wells and there are no geologic emissions. Directional drilling allows wellheads to be located next to surface facilities, minimizing the length of pipes at the surface and associated surface footprint of development. New subsurface technologies, including closed-loop wells and engineered geothermal systems, provide the capability to transfer heat without requiring reservoir permeability. This has good potential to expand the region for development far beyond the footprint of the current Geysers field.

Meanwhile, greatly enhanced resource assessment capabilities increase the resolution of characterizing reservoir properties and reduce the risk in identifying suitable drilling targets. New monitoring techniques improve reservoir management and the longevity of geothermal resources. Advances in energy storage can be used to add valuable flexibility to geothermal generation.

What work has SCP started in forming an opportunity zone?

SCP started investigating the opportunity to promote local geothermal resource development earlier this year. As part of that effort, work has started in the following focus areas:

1. **Resource evaluation:** After using available public datasets on the extent of the local geothermal resource to define the GeoZone, SCP entered into an initial pre-feasibility contract with Dr. William Glassley to perform a characterization of geothermal potential within the potential GeoZone area. The results of this study will be used in

refining the scope of the GeoZone, informing advocacy, and engaging potential developers.

2. **Technology:** SCP arranged meetings with geothermal development and technology companies to understand the current landscape of the industry, identify applicability of new development concepts to the GeoZone, and further understand potential barriers to development. SCP also engaged Redwood Coast Energy Authority (RCEA) on the process they used to partner with private entities to promote development of offshore wind.
3. **Transmission:** SCP is working on developing more in-house expertise on the transmission planning process. SCP met with CAISO's Transmission Planning group on the initiative and is identifying opportunities for advocacy. Concurrently, SCP is collecting information on the existing transmission infrastructure.
4. **Site control:** SCP evaluated options for using public land for geothermal development within the GeoZone and has started initial discussions with staff in Lake County on specific opportunities. SCP also is conducting a high-level appraisal of mineral ownership in the GeoZone area.

What are the next steps?

Should the SCP Board create the structure for a Geothermal Opportunity Zone, Staff would immediately reach out to the County Boards of Supervisors in Sonoma, Mendocino and Lake Counties to introduce the concept and seek their participation. By joining the GeoZone, member jurisdictions would be asked to agree to support efforts to streamline permitting, increase advocacy for geothermal development, and consider opportunities to lease certain public land for site development.

In parallel with that outreach, Staff plan to release a Request for Information (RFI) to potential development partners in October, and use the responses to the solicitation to further inform the potential for success of the GeoZone.

While it is still a bit speculative at this early stage, staff are researching whether a public-private partnership would be prudent to maximize the value of tax credits and take advantage of technical capabilities.

SCP staff would consider targeted advocacy at the CPUC and CAISO for plans and rulings that could further enable development of local geothermal resources. This could include engagement in the Integrated Resource Plan proceeding, the Transmission Planning Process, and the interconnection enhancements stakeholder initiative.

SCP staff would also press federal lawmakers to reinstate the federal tax credits for geothermal which expired in January 2021, and seek other state and federal support for geothermal energy and baseload renewable energy development.

SCP, along with its partner counties could consider facilitating a programmatic EIR that defines the GeoZone formally and addresses the potential programmatic environmental impacts of geothermal development within the GeoZone. SCP could also institute a best practices forum in the GeoZone to allow private and public partners to share lessons learned in permitting, exploration, development, and stakeholder engagement to improve the success of development in the region.

References

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- KHAN, A.K. "The Geysers Geothermal Field, an Injection Success Story." Proceedings World Geothermal Congress, 2010.
- SANYAL, S.K., "Forty Years of Production History at The Geysers Geothermal Field, California—the Lessons Learned." Geothermal Resources Council Transaction, v. 24 ,2000.

Resolution 2021-__
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA CLEAN POWER
AUTHORITY ESTABLISHING THE SONOMA-LAKE-MENDOCINO GEOTHERMAL
OPPORTUNITY ZONE

Whereas, the Sonoma Clean Power Authority (SCPA) wishes to accelerate the development of renewable energy and reduce greenhouse gas emissions; and

Whereas, SCPA recognizes that baseload renewable energy sources which operate 24 hours per day 365 days per year are necessary to achieve both State and local climate goals; and

Whereas, SCPA's member jurisdictions own and control certain property which may have development potential for baseload renewable energy projects; and

Whereas, SCPA recognizes the long permitting and development timelines for geothermal power projects; and

Whereas, SCPA has an interest in sharing information and working collaboratively together with the Counties of Sonoma, Mendocino and Lake; and

Whereas, SCPA is a publicly-owned and governed electricity provider serving customers in Sonoma and Mendocino Counties ("Counties") and having both an interest in purchasing the electric energy produced by new renewable resources and staff with expertise in resource development; and

Whereas, SCPA wishes to establish a geothermal opportunity zone as set forth in this Resolution;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SONOMA CLEAN POWER AUTHORITY DOES HERBY RESOLVE AS FOLLOWS:

1. The above Recitals are true and correct and incorporated by this reference.
2. The Sonoma Clean Power Authority ("SCPA") establishes the Sonoma Lake Mendocino Geothermal Opportunity Zone ("GeoZone"), consisting of the land area in Counties electing to participate or a subset of that land area as agreed to by SCPA and the participating Counties. The GeoZone shall be used to facilitate the potential development of geothermal energy resources within its boundaries. These activities may include identifying potential sites for new geothermal energy production and for the research of new and emerging geothermal technology, collaboratively sharing information among the Counties, soliciting developers to construct new geothermal and other clean power resources, exploring a program environmental impact review to reduce development risks and timelines, seeking federal and state funds and changes in policy to support geothermal development, and facilitating the use of the renewable energy output by customers in the

Counties. Activities shall not include any final commitment to develop geothermal energy resources at any site, which shall only be made by SCPA, the Counties, or other applicable regulatory agency after necessary environmental and similar review.

3. The CEO or designee is hereby authorized to take such administrative actions necessary to implement the GeoZone.

4. For the reasons set forth above, the adoption of this Resolution is not a “project” requiring environmental review pursuant to State CEQA Guidelines § 15060, subdivision (c)(3) and §15378, subdivisions (a) and (b)(2), (b)(4) and (b)(5). Alternatively, the actions are statutorily exempt from CEQA review pursuant to State CEQA Guidelines § 15262 and exempt under the “common sense” exemption identified in State CEQA Guidelines § 15061, subdivision (b)(3). None of the exceptions to the use of the “common sense” exemption as identified in Government Code § 15300.2 exist.

5. This Resolution shall be effective immediately.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE SONOMA CLEAN POWER AUTHORITY THIS 7TH DAY OF OCTOBER 2021 BY THE FOLLOWING ROLL CALL VOTE:

JURISDICTION	NAME	AYE	NO	ABSTAIN/ ABSENT
Cloverdale	Director Bagby			
Cotati	Director Landman			
Fort Bragg	Director Peters			
Petaluma	Director King			
Rohnert Park	Director Elward			
Santa Rosa	Director Rogers			
Sebastopol	Director Slayter			
Sonoma	Director Felder			
Windsor	Director Fudge			
County of Mendocino	Director Gjerde			
County of Sonoma	Director Hopkins			

In alphabetical order by jurisdiction

Chair, Sonoma Clean Power Authority

ATTEST:

Clerk of the Board

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Staff Report - Item 13

To: Sonoma Clean Power Authority Board of Directors

From: Melanie Bagby, Chair
Dave King, Vice Chair
Josh Nelson, Special Counsel

Issue: Conference with Legal Counsel - Anticipated Litigation.
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of
Section 54956.9: 1 case.

Date: October 7, 2021

There are no written materials for this item.