



**AGENDA  
BOARD OF DIRECTORS MEETING  
THURSDAY, NOVEMBER 4, 2021  
8:45 A.M.**

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**\*\*\*\*AB 361\*\*\*\***

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

CONSISTENT WITH THE PROVISIONS OF AB 361, MEMBERS OF THE BOARD OF DIRECTORS WILL PARTICIPATE IN THE NOVEMBER 4, 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/84381471337>
- Telephone number: 1 (720) 707-2699
  - Meeting ID: 843 8147 1337

**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](mailto: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](mailto: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 October 7, 2021 Draft Board of Directors Meeting Minutes (Staff Recommendation: Approve) - pg. 5
2. Delegate Authority to the CEO to Execute an Amendment to the Agreement with Olivine Inc. to Support the GridSavvy Community for an Amount Not-to-Exceed \$1,086,000 (\$686,000 in Program Management Fees and \$400,000 in Escrow Account Funds) Through March 31, 2022 (Staff Recommendation: Approve) - pg. 13
3. Authorize Extension of SCP Resolution 2021-05 Permitting Remote Teleconference Meetings of the Board of Directors and Community Advisory Committee Pursuant to AB 361 (Staff Recommendation: Approve) - pg. 19

### **BOARD OF DIRECTORS REGULAR CALENDAR**

4. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File) - pg. 23
5. Receive Legislative and Regulatory Updates and Provide Direction as Appropriate (Staff Recommendation: Receive and File) - pg. 43

### **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**

6. Conference with Legal Counsel – Anticipated Litigation  
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: 1 case - pg. 45

### **ADJOURN**

## COMMONLY USED ACRONYMS AND TERMS

<b>CAC</b>	Community Advisory Committee
<b>CAISO</b>	California Independent Systems Operator
<b>CCA</b>	Community Choice Aggregation
<b>CEC</b>	California Energy Commission
<b>CleanStart</b>	SCP's standard service
<b>CPUC</b>	California Public Utility Commission
<b>DER</b>	Distributed Energy Resource
<b>DR</b>	Demand Response
<b>ERRA</b>	Energy Resource Recovery Account
<b>EverGreen</b>	SCP's 100% renewable, 100% local energy service
<b>Geothermal</b>	A locally-available, low-carbon baseload renewable resource
<b>GHG</b>	Greenhouse gas
<b>GRC</b>	General Rate Case
<b>GridSavvy</b>	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.
<b>IOU</b>	Investor Owned Utility (e.g., PG&E)
<b>IRP</b>	Integrated Resource Plan
<b>JPA</b>	Joint Powers Authority
<b>MW</b>	Megawatt (Power = how fast energy is being used at one moment)
<b>MWh</b>	Megawatt-hour (Energy = how much energy is used over time)
<b>NEM</b>	Net Energy Metering
<b>NetGreen</b>	SCP's net energy metering program
<b>PCIA</b>	Power Charge Indifference Adjustment ( <i>This fee is intended to ensure that customers who switch to SCP pay for certain costs related to energy commitments made by PG&amp;E prior to their switch.</i> )
<b>ProFIT</b>	SCP's "Feed in Tariff" program for larger local renewable energy producers - Fully subscribed
<b>RA</b>	Resource Adequacy - a required form of capacity for compliance
<b>RPS</b>	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.
<b>REC</b>	Renewable Energy Credit - process used to track renewable energy for compliance in California.
<b>SCP</b>	Sonoma Clean Power
<b>TOU</b>	Time of Use, used to refer to rates that differ by time of day and by season

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

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**\*\*\*\*AB 361\*\*\*\***

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

CONSISTENT WITH THE PROVISIONS OF AB 361 WHICH SUSPENDED CERTAIN REQUIREMENTS OF THE BROWN ACT, MEMBERS OF THE BOARD OF DIRECTORS PARTICIPATED IN THE OCTOBER 7, 2021 MEETING BY TELECONFERENCE.

**CALL TO ORDER**

Prior to the meeting being called to order, Beau Anderson, Clerk of the Board, administered the Oath of Office to incoming Director Robert Felder, representing City of Sonoma.

Chair Bagby then called the meeting to order at approximately 8:51 am.

Board Members present: Chair Bagby, Vice Chair King, and Directors Landman, Peters, Elward, Slayter, Felder, 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 Programs; Scott Salyer, Programs Manager; Nathan Kinsey, Commercial Accounts Manager; Claudia Sisomphou, Communications Specialist; and Joshua Nelson, Special Counsel.

**BOARD OF DIRECTORS CONSENT CALENDAR**

1. Approve August 5, 2021 Draft Board of Directors Meeting Minutes
2. Receive Notice on Starting Contract Negotiations with Calpine Energy Solutions, LLC for Data Management Services
3. Approve Updated Terms and Conditions Suspending Opt-Out Fees for 12-Month Pilot Program
4. Approve Policy B.1 Financial Policy and CEO Spending Authority
5. Approve an Investment Policy for Sonoma Clean Power

6. Adopt Resolution Attesting to Accuracy of Sonoma Clean Power Authority's 2020 Power Source Disclosure Annual Reports for CleanStart and EverGreen Products and 2020 Power Content Label
7. Adopt Resolution Authorizing Virtual Board and Committee Meetings Pursuant to AB 361

Public Comment: None

Motion to Approve the October 7, 2021 Board of Directors Consent Calendar by Director Peters

Second: Director Landman

Motion passed by roll call vote: 10 - 0 - 0

## **BOARD OF DIRECTORS REGULAR CALENDAR**

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

Stephanie Reynolds, Director of Internal Operations, reported on the recruitment efforts to fill vacancies on the Community Advisory Committee and then announced that Rebecca Simonson is now Director of Programs. Director Simonson then spoke on her program-related background and vision for the Programs Department going forward. Ryan Tracey has been promoted to Director of Planning & Analytics.

*Director Rogers joined the meeting at approximately 9:00 a.m.*

Scott Salyer, Programs Manager, spoke on the successes of the Bike Electric program, which surpassed its goals and supplied incentives to purchase over 400 e-bikes to low-income customers.

Geof Syphers, Chief Executive Officer, spoke about the City of Baldwin Park, which has its own CCA and voted to close their program and return customers to Southern California Edison. Next, CC Power, the joint procurement entity comprised of multiple CCAs (including SCP), has made progress on its long duration energy storage and intends to enter an agreement for a 69 Megawatt, 15-year lithium-ion battery project located in Kern County. CC Power also issued a request for offers for 200 Megawatts of firm clean resources, in other words, renewable baseload power production. Next was an update on a grant Lake County applied for to construct closed-loop pumped water energy storage facilities, for which Sonoma Clean Power wrote letters of support. Staff will monitor the project. PG&E has made progress on undergrounding high-value segments of their distribution grid, some of which

were identified by SCP's own Ryan Tracey. Finally, some adjustments and corrections are being made to the financial statements and more information will be available soon.

CEO Syphers concluded the report with some discussion CC Power has had surrounding creating its own internal policies versus member agencies adhering to their individual policies when negotiating procurement deals.

Director Fudge suggested that staff consider the Town of Windsor's water tower to see if there could be an opportunity for a water energy storage facility.

Public Comment: None

9. Receive Informational Report on the 3<sup>rd</sup> Annual Spirit of Entrepreneurship Grant

Nathan Kinsey, Commercial Accounts Manager for SCP, spoke on the background and goals of the grant program, and shared information on the current winner, Tori O'Neil for The Bark Yard. He also presented some ideas for how to improve upon the grant program in future years.

Public Comment: None

10. Receive Update on Empower (SCP's Community Engagement, Education, and Outreach)

CEO Syphers introduced Claudia Sisomphou, Communications Specialist, and thanked her for the work she's done on this initiative. He also encouraged Board members, who are active in their communities every day, to think about how they can help SCP become more effective at community engagement.

The slides from Ms. Sisomphou's presentation were published in the meeting materials and updated after publishing. The presentation sparked significant engagement among Board members. She invited Directors and members of the public to email her at [community@sonomacleanpower.org](mailto:community@sonomacleanpower.org) with any additional comments and suggestions.

During the segment on Building Partnerships, the following comments and suggestions were made by the Board of Directors:

Director Elward encouraged staff to really listen and allow people to feel empowered.

Director Fudge suggested the idea of a "listening tour" and having a commercial partner to provide the location for a listening session and to make

it enjoyable.

Vice Chair King recommended looking into the various commissions and committees that exist within each city and also recommended speaking to various service clubs, such as the Rotary. He also suggested reaching out to former Board of Directors and Community Advisory Committee members to spread the messaging among their contacts.

Director Rogers advised staff to frame the expectation that community engagement is not an activity, but rather a thought process. He also stressed the importance of going to where people are, such as farmer's markets, etc.

Director Peters suggested the idea of engaging youth through something like a social media contest. He advised staff to go to city council meetings to present new programs and benefits instead of relying on the councilmember to share the information.

Director Hopkins highlighted the importance of having open-ended conversations. She also echoed an idea brought forth by Community Advisory Committee Chair Mike Nicholls of leveraging customers we have established relationships with, such as e-bike owners acting as ambassadors for SCP.

Director Fudge commented on a climate focused club at Windsor High School and built on the idea posed by Director Peters of working with youth to design an outreach program which can be incentivized with a prize as well.

Director Elward added that it's important to listen to school students, especially from less-affluent families and neighborhoods, and really connect with them because they can take what they learn home and teach it to their families and friends.

Chair Bagby recommended to look at small businesses to help get the word about Sonoma Clean Power out and highlighted the Surf Market/EverGreen partnership success as an example.

Due to the level of engagement on this item, CEO Syphers suggested that Ms. Sisomphou continue her presentation in a future meeting.

Public Comment:

Woody Hastings from The Climate Center echoed Director Elward's comments about listening first, and recommended that staff connect to an organization called the North Bay Organizing Project.

Terry Taylor pointed out the huge need for skills for people to more



effectively engage with the public. He advised that there are many skills that staff can develop and improve upon.

Marcy Snyder, from the Grassroots Institute in Mendocino County, expressed her willingness to connect with everyone who spoke about outreach and shared her contact information.

Director Fudge advised staff to concentrate more on planned replacement for items such as water heaters and how to reach those individuals.

Director Gjerde stressed the importance of knowing about the rebates and incentives that are available for customers.

Chair Bagby closed by reminding everyone that the idea of meeting people where they are doesn't only refer to their location, but also meeting people when they need it, such as when the water heater dies.

*Chair Bagby called for a 5-minute recess.*

#### 11. Receive Legislative and Regulatory Updates and Provide Direction as Appropriate

Neal Reardon, Director of Regulatory Affairs, began by announcing that Marybel Batjer is resigning from her position as President of the CPUC, however staff does not know who the next CPUC President will be. CEO Syphers implored the Board to recommend candidates, if they know any.

Director Reardon continued by giving verbal updates on the Net Energy Metering (NEM) item in the written report.

CEO Syphers gave a brief legislative update. He highlighted that Governor Newsom signed AB 170 which contains the Climate Resilience Budget Package. He also highlighted the Customer Arrearages Payment Program (CAPP) and that there was a successful targeted effort by CalCCA and a coalition of CCAs to ensure that CCAs were included as utilities able to be reimbursed for customer nonpayment during economic challenges.

Public Comment: None

#### 12. Approve Resolution Creating a Geothermal Opportunity Zone

In the absence of Ryan Tracey, Director of Planning & Analytics, who headed this effort, CEO Syphers presented this item to the Board. The goal of this initiative would be to explore the potential for developing more geothermal energy to serve as a clean baseload resource. The Counties of Sonoma, Lake, and Mendocino are uniquely situated and contain the largest operational

geothermal resource in the world, providing an opportunity to partner and support the research and development of additional geothermal power.

Director Gjerde, Vice Chair King, and Director Landman expressed excitement and support. Director Landman asked about the uniqueness of The Geysers and whether or not the technologies being developed could be used elsewhere as well.

Director Slayter asked if a closed-loop system would be best considering the prospect of droughts. CEO Syphers responded that even a closed-loop system does use some water and stated that staff would return to a future meeting with more information relating to numbers and details once more is known about the technologies. Director Slayter also asked about regulations of asset ownership.

Public Comment:

Dick Dowd, member of the Community Advisory Committee, spoke about his excitement for this opportunity zone. He encouraged the Board to approve the item.

Director Gjerde advised staff to involve non-member cities of Healdsburg and Ukiah to this project. CEO Syphers replied he's already reached out to both cities.

Chair Bagby commented that this resolution and direction is consistent with Sonoma Clean Power's mission and vision.

Motion to Approve Resolution Creating a Geothermal Opportunity Zone by Vice Chair King.

Second: Director Elward

Motion passed by roll call vote: 11 - 0 - 0

## **BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS**

Director Peters asked if there has ever been consideration of a resolution to oppose the "coal train" because other cities and counties are proposing resolutions against it. CEO Syphers replied that a stand has not been taken but he would be happy to draft a resolution.

Director Gjerde announced that County of Mendocino is looking into amending JPA bylaws to function as a Climate Protection Authority. He thanked Neal Reardon for his assistance.

Director Fudge commented that she's a happy on-bill finance customer and her home is being used as an experimental project by utilizing different sized mini-split heaters in different rooms, allowing the project to use less units than expected.

Vice Chair King announced that City of Petaluma will resume its Veteran's Day Parade on November 11<sup>th</sup>.

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

Public Comment: None

*At 11:19 a.m. Chair Bagby called for an 11-minute recess and requested that the Board of Directors convene for Closed Session at 11:30 a.m.*

## **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

At 12:04 p.m., following closed session, CEO Syphers and Joshua Nelson, Special Counsel for Sonoma Clean Power, returned to provide a report out of the closed session discussion. Mr. Nelson announced that the Board of Directors voted unanimously to authorize staff to initiate litigation if necessary. If commenced, the identity of the defendants and particulars of the matter will be disclosed publicly upon request.

## **ADJOURN**

The meeting was adjourned at approximately 12:05 p.m.

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## Staff Report - Item 02

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

**From:** Geof Syphers, Chief Executive Officer  
Rebecca Simonson, Director of Programs  
Carolyn Glanton, Programs Manager

**Issue:** Delegate Authority to the CEO to Execute an Amendment to the Agreement with Olivine Inc. to Support the GridSavvy Community for an Amount Not-to-Exceed \$1,086,000 (\$686,000 in Program Management Fees and \$400,000 in Escrow Account Funds) Through March 31, 2022

**Date:** November 4, 2021

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### Recommended Action:

Staff requests that the SCP Board of Directors ("Board") authorize the Chief Executive Officer ("CEO") to execute an amendment with Olivine, Inc. to continue management of the GridSavvy Community, subject to the conditions set forth in this Staff Report with an aggregate not-to-exceed amount of \$1,086,000 (\$686,000 in program management fees and \$400,000 in escrow account funds) over the term. This is an increase of \$349,000 from the existing Agreement.

### Background:

SCP's demand response program, GridSavvy, allows SCP customers to use smart devices to power more our community by local, clean energy.

By connecting smart devices to the GridSavvy Community, customers are helping to turn the tide on the climate crisis. Demand response programs can serve as a major tool for accelerating the use of renewable energy and balancing California's electricity load. When there is excess energy on the grid, primarily during the middle of the day when solar generation peaks, SCP can encourage participating smart

devices to charge, pre-cool, or pre-heat themselves. When there is demand for electricity and sources are being used, we can slow or delay participating smart devices until the grid is cleaner, preventing the need for dirty fossil fuels.

Not only is GridSavvy leading the way as an innovative, local solution to stabilizing the state's electricity grid, but it is also helping households in Sonoma and Mendocino counties save energy and money each month.

### Beginning of GridSavvy

In 2016, SCP encouraged the deployment of residential grid-enabled electric vehicle (EV) charging technology as part of the first Drive EverGreen pilot. The first step of GridSavvy was to build a demand response community centered around residential EV chargers deployed to SCP customers.

In Summer of 2017, SCP staff began conversations with Olivine around the potential for aggregating these EV chargers, the creation of a distributed energy resource ("DER") platform and assistance with bidding DERs into California Independent System Operator ("CAISO") markets. At the time, SCP's goals for the program included:

- Make demand response ("DR") easy for SCP customers. Customers should be able to easily enroll, unenroll, and transition between multiple demand response offerings.
- Pass Customer "Value" Back to the Customer. Any value earned by SCP, either through CAISO market participation or resource adequacy reduction, should be passed back to the customer in the form of incentives, creating transparency about the value of customer resources.
- Shape Customer Load to SCP Supply. Aggregate DER resources to help shift and shape SCP's customer load, reducing grid emissions and making a case that customers, rather than gas peaker plants, can be a part of the clean energy solution.

SCP has an Agreement in place with Olivine, Inc that that was effective November 1, 2018 for an amount not-to-exceed of \$737,000 (\$337,000 for program services and \$400,000 for an escrow account to pay out customer incentives). There have been five amendments to this Agreement with Olivine effective January 24, 2020, May 1, 2020, December 3, 2020, February 12, 2021, and June 1, 2021, to reflect

programmatic changes to program and extensions to the term of the original Agreement.

Update on the GridSavvy Community

In addition to EV chargers, smart thermostats and heat pump water heaters have since been added to the program. The GridSavvy Community, managed by Olivine, represents one of the few active, multi-technology demand response programs in California. In general, the program calls for 4-10 “events” per month, depending on grid conditions. Since its inception, the program has provided incentives for over 3,200 customers, of which over 1,100 are actively participating in the GridSavvy Community using smart devices.

Customers are offered an upfront discount on eligible smart devices through the GridSavvy Community online webstore (see Table 1 below), as well as a \$5/month bill credit should they decide to participate in GridSavvy Community events. For customers with existing smart devices, they can connect to the GridSavvy Community and receive enrollment incentives, in addition to the \$5/month bill credit.

Table 1: GridSavvy Incentives

Smart Device	Incentive Amount
Heat Pump Water Heater	SCP has partnered with BayREN Home+ to offer customers a \$1,700-\$2,000 rebate for replacing an existing natural gas water heater with a heat pump water heater
Smart Thermostat	Customers receive an instant \$50 rebate on a smart thermostat purchase. Customers who already have a smart thermostat can receive a \$50 enrollment credit.
Electric Vehicle Charger	Customers can get a free electric vehicle charger. Customers pay upfront for 50% of the charger cost, plus sales tax and shipping. After the charger is installed, connected to Wi-Fi, and activated, SCP reimburses customers the amount paid when the order was placed.

**Discussion:**

This amendment extends the term of the agreement to March 31, 2022 and will add \$169,000 for program management and replenish \$180,000 in escrow account funds. Olivine, the program administrator, issues incentives and associated fees from the escrow account.

The amendment adds additional scope for work related to adding battery storage and behavioral demand response to the existing suite of GridSavvy technologies. Enrolling residential battery storage systems will allow SCP to use the energy stored in customers batteries at times of high demand. Behavioral demand response encourages customers to reduce energy use during peak times through sending the customer communications, such as a notification through an app.

**Fiscal Impact:**

This amendment increases the agreement's aggregate not-to-exceed amount by \$349,000 (\$169,000 in program management fees and \$180,000 in escrow account funds) bringing the new total not-to-exceed amount to \$1,086,000 (\$868,000 in program management fees and \$400,000 in escrow account funds) over the term.

The budget for this change in contract amount was already included in the current fiscal year budget for 2021/2022, so there is no change needed to the budget.

**Attachments:**

- Sixth Amendment for Professional Services between the Sonoma Clean Power Authority and Olivine Inc.



SIXTH AMENDMENT TO THE AMENDED AND RESTATED AGREEMENT FOR  
DISTRIBUTED ENERGY RESOURCE SERVICES BETWEEN THE SONOMA CLEAN  
POWER AUTHORITY AND OLIVINE, INC.

This Sixth Amendment ("Sixth Amendment") to the Amended and Restated Agreement for Distributed Energy Resource Services (the "Original Agreement") between the Sonoma Clean Power Authority ("SCPA"), a California Joint Powers Authority, and Olivine, Inc., a California Corporation (hereinafter "Consultant"), is entered into as of October 21, 2021 ("Sixth Amendment Effective Date"). SCPA and Consultant are at times individually referred to herein as "Party" and collectively as "Parties".

WHEREAS, the Parties entered into the Original Agreement dated effective November 1, 2018, for Consultant to assist with the development and management of SCPA's GridSavvy Community ("Program") and amended that Original Agreement effective January 24, 2020, May 1, 2020, December 3, 2020, February 12, 2021, and June 1, 2021 to reflect programmatic changes to Program and extensions to the term of the Original Agreement (collectively, "Previous Amendments") and the Original Agreement as amended by these Previous Amendments is referred to herein as the "Agreement;"

WHEREAS, the Parties now desire to amend the Agreement as set forth herein.

NOW, THEREFORE, the Parties agree as follows:

1. Section 4d. (GridSavvy Program Services) of the Agreement is hereby replaced and superseded in its entirety as follows:

d. GridSavvy Program Services. In no event shall the amount payable for services performed under the Agreement exceed Six Hundred Eighty-Six Thousand Dollars (\$686,000). Limitations or fees for additional services will be mutually agreed upon in writing and incorporated into this Agreement. For purposes of payment and the not-to-exceed amounts established in this section, GridSavvy Program Services does not include amounts SCPA pays to the GridSavvy Escrow Account.

2. Section 4e. (Aggregate Not-To-Exceed Amount for Agreement) of the Agreement is hereby replaced and superseded in its entirety as follows:

e. Aggregate Not-To-Exceed Amount for Agreement. The total aggregate not-to-exceed amount paid to Contractor under this Agreement, inclusive of all payments for services provided, Reimbursable Expenses (if any) and Grid Savvy Escrow Account payments shall be One Million Eighty-Six Thousand Dollars (\$1,086,000).

3. Section 5 (Term of the Agreement) of the Agreement is hereby replaced and superseded in its entirety as follows:

"5. Term of the Agreement: The initial term of this Agreement shall be from the Effective Date to March 31, 2022, unless terminated pursuant to Section 6 or amended by a written, executed amendment to the Agreement."

4. The table in Exhibit A on pages 17-18 of the Agreement is amended to add the following additional scope, costs and due dates:

Battery Storage valuation	Analysis and presentation of results	\$10,000	Prior to contract end date
Behavioral Demand Response Implementation	Implementation, configuration and testing functionality of Behavioral Demand Response App for SCPA	\$15,000	Prior to contract end date

5. Section 2 (Establishment of GridSavvy Escrow Account) of Exhibit A Escrow Account and Management is hereby replaced and superseded in its entirety as follows:

2. Establishment of GridSavvy Escrow Account. Olivine will establish an FDIC- insured escrow account that Olivine will use to collect funds from SCPA and/or its customers (the "GridSavvy Escrow Account"). Olivine will use the GridSavvy Escrow Account to pay customers for payments related to the GridSavvy Community and to pay technology vendor fees.

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

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

SONOMA CLEAN POWER AUTHORITY

\_\_\_\_\_  
By: Michael Koszalka, COO

Date \_\_\_\_\_

CONSULTANT

  
\_\_\_\_\_  
By: Elizabeth Reid, CEO

Date 10/22/21  
{00470926;1}



## Staff Report - Item 03

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

**From:** Geof Syphers, CEO

**Issue:** Authorize Extension of SCP Resolution 2021-05 Permitting Remote Teleconference Meetings of the Board of Directors and Community Advisory Committee Pursuant to AB 361

**Date:** November 4, 2021

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### Requested Action:

Authorize extension of SCP Resolution 2021-05 to permit remote teleconference meetings of the Board of Directors and Community Advisory Committee pursuant to AB 361.

### Summary of the Item:

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.

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. This item would extend Resolution 2021-25 by making the necessary findings to permit remote meetings.

### Attachment:

- Resolution 2021-05 of the Board of Directors of the Sonoma Clean Power Authority



**RESOLUTION NO. 2021 - 05**

**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	X		
Cotati	Director Landman	X		
Fort Bragg	Director Peters	X		
Petaluma	Director King	X		
Rohnert Park	Director Elward	X		
Santa Rosa	Director Rogers			X
Sebastopol	Director Slayter	X		
Sonoma	Director Felder	X		
Windsor	Director Fudge	X		
County of Mendocino	Director Gjerde	X		
County of Sonoma	Director Hopkins	X		

*In alphabetical order by jurisdiction*



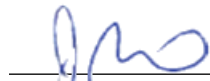
Chair, Sonoma Clean Power Authority

Attest:



Clerk of the Board

APPROVED AS TO FORM:



Special Counsel,  
Sonoma Clean Power Authority

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## Staff Report - Item 04

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

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

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

**Date: November 4, 2021**

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### **COMMITTEE MEMBER VACANCIES AND RECRUITMENT PROCESS**

The Ad Hoc Committee of the Board has scheduled interviews with the potential candidates in early November. Recommendations of final candidates for the current and upcoming vacancies on the Committee will be brought to the Board in December for a vote.

### **ADVANCED ENERGY CENTER**

The Advanced Energy Center will soon be showcasing new design upgrades for both renters and the holiday season. Recently the Energy Center was a sponsor and participant for the downtown Santa Rosa Halloween event and movie, Hocus Pocus. The Energy Center team is developing a menu of improved educational programs and events. Our education program will be adding K-12 school fieldtrips, workforce development partnerships, onsite tutoring of STEM course materials, and bolstering our internship program to improve foundational business skills and career opportunities.

While following current COVID-19 safety protocols, we recently hosted the American Institute of Architects - Redwood Chapter, CalCCA staff for their annual retreat, and Generation Housing. We have also held webinars on the benefits of e-fireplaces, and high-performance valuation. Although the event focus for the remainder of 2021 is to improve on our webinars, we are scheduling and organizing in person events for 2022.

Staff are also incredibly proud that the Advanced Energy Center and its zero interest on-bill loans are gaining significant attention around California. East Bay Clean Energy has publicly solicited for construction services to build their own Advanced Energy Center in Oakland, and the California Energy Commission has expressed interest in seeing something similar developed in Southern California.

## **MONTHLY COMPILED FINANCIAL STATEMENTS**

The year-to-date change in net position is slightly worse than projections due primarily to greater than expected cost of energy. Revenue from electricity sales is approximately 2% less than budget projections, and cost of energy is more than expectations by approximately 6%. Year-to-date electricity sales reached \$34,249,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$101,409,000, which indicates healthy growth as SCP continues to make progress towards its financial goals. In addition to Net Position, SCP maintains an Operating Account Fund of \$22,000,000 at the end of the period. Approximately \$72,496,000 is set aside for reserves (Operating Reserve: \$59,265,000; Program Reserve: \$10,852,000; and Collateral Reserve: \$2,229,000).

Aside from cost of energy, overall other operating expenses continued near or slightly below planned levels for the year.

## **BUDGETARY COMPARISON SCHEDULE**

Attached to this report are the budgetary comparisons for June, July, and August. We have included the June comparisons as they have been updated since being presented to the Board in October, including more invoicing data and adjusting costs that were not accrued in the last FY.

The accompanying June and July budgetary comparison includes the 2021/22 amended budget approved by the Board of Directors in June 2022.

The budget is formatted to make comparisons for both the annual and the year-to-date perspective. The first column, 2021/22 YTD Budget, allocates the Board approved annual budget at expected levels throughout the year with consideration for the timing of additional customers, usage volumes, staffing needs etc. This column represents our best estimates and this granular approach was not part of the Board approved budget.



Revenue from electricity sales to customers is below target with the budget by approximately 2% at the end of the reporting period.

The cost of electricity is more than the budget-to-date by approximately 6%. Variation in this account is typically due to fluctuating market cost of energy on open position purchases.

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

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

### **UPCOMING MEETINGS**

Community Advisory Committee - November 18, 2021

Board of Directors - December 2, 2021

### **ATTACHMENTS**

- June Budgetary Comparison (corrected)
- July 2021 Financials
- August 2021 Financials

**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
<b>REVENUE AND OTHER SOURCES:</b>						
Electricity (net of allowance) *	\$ 188,347,000	\$ 187,268,689	\$ (1,078,311)	99%	\$ 188,347,000	\$ 1,078,311
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	2,332,610	(641,390)	78%	2,974,000	641,390
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	191,834,158	(6,404,842)	97%	198,239,000	6,404,842
<b>EXPENDITURES AND OTHER USES:</b>						
<b>CURRENT EXPENDITURES</b>						
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	892,772	(237,228)	79%	1,130,000	237,228
Customer service	383,000	304,309	(78,691)	79%	383,000	78,691
General and administration	615,000	413,125	(201,875)	67%	615,000	201,875
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	-	(380,000)	0%	380,000	380,000
Program implementation	3,199,000	3,153,516	(45,484)	99%	3,199,000	45,484
Program - CEC grant	5,561,000	4,339,893	(1,221,107)	78%	5,561,000	1,221,107
Total current expenditures	189,323,000	184,583,092	(4,739,908)	97%	189,323,000	4,739,908
<b>OTHER USES</b>						
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	194,548,788	(3,690,212)	98%	198,239,000	3,690,212
Net increase (decrease) in available fund balance	\$ -	\$ (2,714,630)	\$ (2,714,630)		\$ -	\$ 2,714,630

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

	Current Balance	% of Long-Term Term Target	Long-Term Target Balance
<b>RESERVES</b>			
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



## 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 July 31, 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  
September 28, 2021

**SONOMA CLEAN POWER AUTHORITY  
OPERATING FUND  
BUDGETARY COMPARISON SCHEDULE  
July 1, 2021 through July 31, 2021**

	2021/22 YTD Budget	2021/22 YTD Actual	2021/22 YTD Budget Variance (Under) Over	2021/22 YTD Actual / Budget %	2021/22 Budget	2021/22 Budget Remaining
<b>REVENUE AND OTHER SOURCES:</b>						
Electricity (net of allowance) *	\$ 17,365,674	\$ 18,034,341	\$ 668,667	104%	\$ 179,277,000	\$ 161,242,659
Evergreen Premium (net of allowance)	139,910	164,794	24,884	118%	2,074,000	1,909,206
Inflow from Operating Account Fund Reserves	-	-	-	0%	1,353,000	1,353,000
CEC Grant	172,083	-	(172,083)	0%	2,065,000	2,065,000
BAAQMD grant	4,167	-	(4,167)	0%	50,000	50,000
Interest income	70,000	23,381	(46,619)	33%	840,000	816,619
Total revenue and other sources	<u>17,751,834</u>	<u>18,222,516</u>	<u>470,682</u>	<u>103%</u>	<u>185,659,000</u>	<u>167,436,484</u>
<b>EXPENDITURES AND OTHER USES:</b>						
<b>CURRENT EXPENDITURES</b>						
Cost of energy and scheduling	15,214,896	15,756,862	541,966	104%	159,436,000	143,679,138
Data management	266,154	267,958	1,804	101%	3,198,000	2,930,042
Service fees- PG&E	80,700	80,918	218	100%	973,000	892,082
Personnel	516,667	390,851	(125,816)	76%	6,200,000	5,809,149
Outreach and communications	112,500	103,480	(9,020)	92%	1,350,000	1,246,520
Customer service	30,250	7,190	(23,060)	24%	363,000	355,810
General and administration	95,000	104,002	9,002	109%	1,140,000	1,035,998
Legal	34,167	20,151	(14,016)	59%	410,000	389,849
Regulatory and compliance	35,833	7,195	(28,638)	20%	430,000	422,805
Accounting	20,417	15,500	(4,917)	76%	245,000	229,500
Legislative	10,000	-	(10,000)	0%	120,000	120,000
Other consultants	18,750	21,206	2,456	113%	225,000	203,794
Industry memberships and dues	44,667	67,939	23,272	152%	536,000	468,061
Program implementation	470,000	25,592	(444,408)	5%	5,640,000	5,614,408
Program - CEC grant	333,333	34,419	(298,914)	10%	4,000,000	3,965,581
Total current expenditures	<u>17,283,334</u>	<u>16,903,263</u>	<u>(380,071)</u>	<u>98%</u>	<u>184,266,000</u>	<u>167,362,737</u>
<b>OTHER USES</b>						
Capital outlay	116,083	77,600	(38,483)	67%	1,393,000	1,315,400
Total Expenditures, Other Uses and Debt Service	<u>17,399,417</u>	<u>16,980,863</u>	<u>(418,554)</u>	<u>98%</u>	<u>185,659,000</u>	<u>168,678,137</u>
Net increase (decrease) in available fund balance	<u>\$ 352,417</u>	<u>\$ 1,241,653</u>	<u>\$ 889,236</u>		<u>\$ -</u>	<u>\$ (1,241,653)</u>

\* Represents sales of approximately 187,000 MWh for 2021/22 YTD actual.

	Current Balance	% of Long-Term Term Target	Long-Term Target Balance
<b>RESERVES</b>			
Operating Cash Reserve	\$ 59,231,000	64%	\$ 92,133,000
Program Cash Reserve	10,846,000	59%	18,426,600
Collateral Cash Reserve	2,224,000	14%	15,943,600
	<u>\$ 72,301,000</u>	<u>57%</u>	<u>\$ 126,503,200</u>

**SONOMA CLEAN POWER AUTHORITY**  
**OPERATING FUND**  
**BUDGET RECONCILIATION TO STATEMENT OF**  
**REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**July 1, 2021 through July 31, 2021**

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$	1,241,653
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:		
Subtract depreciation expense		(112,115)
Add back capital asset acquisitions		77,600
Add back certain program expenses recognized for budget purposes only		(7,000)
Change in net position	\$	<u><u>1,200,138</u></u>



## ACCOUNTANTS' COMPILATION REPORT

Management  
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of July 31, 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  
September 28, 2021

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of July 31, 2021

### ASSETS

Current assets	
Cash and cash equivalents	\$ 54,393,620
Accounts receivable, net of allowance	22,308,095
Other receivables	1,935,279
Accrued revenue	10,573,330
Prepaid expenses	1,416,859
Deposits	4,142,916
Total current assets	<u>94,770,099</u>
Noncurrent assets	
Unrestricted cash in Rate Stabilization Fund	22,000,000
Land	860,520
Capital assets, net of depreciation	19,001,794
Deposits	6,160,922
Total noncurrent assets	<u>48,023,236</u>
Total assets	<u>142,793,335</u>

### LIABILITIES

Current liabilities	
Accrued cost of electricity	12,498,983
Accounts payable	1,767,564
Other accrued liabilities	1,215,390
User taxes and energy surcharges due to other governments	423,049
Total current liabilities	<u>15,904,986</u>

### DEFERRED INFLOWS OF RESOURCES

Rate Stabilization Fund	22,000,000
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### NET POSITION

Investment in capital assets	19,862,314
Unrestricted	85,026,035
Total net position	<u>\$ 104,888,349</u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**July 1, 2021 through July 31, 2021**

**OPERATING REVENUES**

Electricity sales, net	\$ 18,034,341
Evergreen electricity premium	164,794
Total operating revenues	<u>18,199,135</u>

**OPERATING EXPENSES**

Cost of electricity	15,756,862
Contract services	570,641
Staff compensation	390,851
General and administration	191,909
Depreciation	112,115
Total operating expenses	<u>17,022,378</u>
Operating income	<u>1,176,757</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest income	23,381
Nonoperating revenues (expenses), net	<u>23,381</u>

**CHANGE IN NET POSITION**

Net position at beginning of period	1,200,138
	<u>103,688,211</u>
Net position at end of period	<u>\$ 104,888,349</u>



# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS

July 1, 2021 through July 31, 2021

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 13,286,661
Other operating receipts	413,323
Payments to electricity suppliers	(18,547,818)
Payments for other goods and services	(1,095,277)
Payments for staff compensation	(441,632)
Tax and surcharge payments to other governments	(312,298)
Payments for program rebates and incentives	<u>(26,871)</u>
Net cash provided (used) by operating activities	<u>(6,723,912)</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(2,033,328)</u>
------------------------------------	--------------------

### CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>54,495</u>
Net cash provided (used) by investing activities	<u>54,495</u>

Net change in cash and cash equivalents	(8,702,745)
Cash and cash equivalents at beginning of year	<u>85,096,365</u>
Cash and cash equivalents at end of period	<u>\$ 76,393,620</u>

### Reconciliation to the Statement of Net Position

Unrestricted cash and cash equivalents (current)	\$ 54,393,620
Unrestricted cash and cash equivalents (noncurrent)	<u>22,000,000</u>
Cash and cash equivalents	<u>\$ 76,393,620</u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF CASH FLOWS (continued)**  
**July 1, 2021 through July 31, 2021**

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

Operating income	\$ 1,176,757
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	112,115
Revenue adjusted for allowance for uncollectible accounts	371,409
(Increase) decrease in:	
Accounts receivable	(3,904,377)
Other receivables	(423,435)
Accrued revenue	(1,594,727)
Prepaid expenses	(306,518)
Deposits	(350,000)
Increase (decrease) in:	
Accrued cost of electricity	(1,017,657)
Accounts payable	(294,950)
Accrued liabilities	(808,774)
User taxes due to other governments	(97,078)
Supplier security deposits	413,323
Net cash provided (used) by operating activities	<u>\$ (6,723,912)</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 August 31, 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  
October 14, 2021

**SONOMA CLEAN POWER AUTHORITY  
OPERATING FUND  
BUDGETARY COMPARISON SCHEDULE  
July 1, 2021 through August 31, 2021**

	2021/22 YTD Budget	2021/22 YTD Actual	2021/22 YTD Budget Variance (Under) Over	2021/22 YTD Actual / Budget %	2021/22 Budget	2021/22 Budget Remaining
<b>REVENUE AND OTHER SOURCES:</b>						
Electricity (net of allowance) *	\$ 34,760,611	\$ 33,905,875	\$ (854,736)	98%	\$ 179,277,000	\$ 145,371,125
Evergreen Premium (net of allowance)	304,053	343,598	39,545	113%	2,074,000	1,730,402
Inflow from Operating Account Fund Reserves	-	-	-	0%	1,353,000	1,353,000
CEC Grant	344,167	-	(344,167)	0%	2,065,000	2,065,000
BAAQMD grant	8,333	-	(8,333)	0%	50,000	50,000
Interest income	140,000	44,711	(95,289)	32%	840,000	795,289
Revenue - Liquidated damages	-	150,672	150,672	-	-	(150,672)
Total revenue and other sources	35,557,164	34,444,856	(1,112,308)	97%	185,659,000	151,214,144
<b>EXPENDITURES AND OTHER USES:</b>						
<b>CURRENT EXPENDITURES</b>						
Cost of energy and scheduling	32,055,681	33,920,579	1,864,898	106%	159,436,000	125,515,421
Data management	532,672	535,756	3,084	101%	3,198,000	2,662,244
Service fees- PG&E	161,814	161,751	(63)	100%	973,000	811,249
Personnel	1,033,333	874,099	(159,234)	85%	6,200,000	5,325,901
Outreach and communications	225,000	193,383	(31,617)	86%	1,350,000	1,156,617
Customer service	60,500	86,731	26,231	143%	363,000	276,269
General and administration	190,000	154,855	(35,145)	82%	1,140,000	985,145
Legal	68,333	34,159	(34,174)	50%	410,000	375,841
Regulatory and compliance	71,667	26,125	(45,542)	36%	430,000	403,875
Accounting	40,833	31,000	(9,833)	76%	245,000	214,000
Legislative	20,000	-	(20,000)	0%	120,000	120,000
Other consultants	37,500	57,210	19,710	153%	225,000	167,790
Industry memberships and dues	89,333	93,618	4,285	105%	536,000	442,382
Program implementation	940,000	257,868	(682,132)	27%	5,640,000	5,382,132
Program - CEC grant	666,667	81,129	(585,538)	12%	4,000,000	3,918,871
Total current expenditures	36,193,333	36,508,263	314,930	101%	184,266,000	147,757,737
<b>OTHER USES</b>						
Capital outlay	232,167	438,063	205,896	189%	1,393,000	954,937
Total Expenditures, Other Uses and Debt Service	36,425,500	36,946,326	520,826	101%	185,659,000	148,712,674
Net increase (decrease) in available fund balance	\$ (868,336)	\$ (2,501,470)	\$ (1,633,134)		\$ -	\$ 2,501,470

\* Represents sales of approximately 187,000 MWh for 2021/22 YTD actual.

	Current Balance	% of Long-Term Term Target	Long-Term Target Balance
<b>RESERVES</b>			
Operating Cash Reserve	\$ 59,265,000	64%	\$ 92,133,000
Program Cash Reserve	10,852,000	59%	18,426,600
Collateral Cash Reserve	2,229,000	14%	15,943,600
	\$ 72,346,000	57%	\$ 126,503,200

**SONOMA CLEAN POWER AUTHORITY**  
**OPERATING FUND**  
**BUDGET RECONCILIATION TO STATEMENT OF**  
**REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**July 1, 2021 through August 31, 2021**

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ (2,501,470)
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(225,605)
Add back capital asset acquisitions	455,013
Add back certain program expenses recognized for budget purposes only	(7,000)
Change in net position	\$ (2,279,062)



## 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 August 31, 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  
October 14, 2021

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of August 31, 2021

### ASSETS

Current assets	
Cash and cash equivalents	\$ 53,795,243
Accounts receivable, net of allowance	21,205,155
Other receivables	2,108,040
Accrued revenue	9,437,270
Prepaid expenses	1,252,590
Deposits	4,042,916
Total current assets	<u>91,841,214</u>
Noncurrent assets	
Unrestricted cash in Rate Stabilization Fund	22,000,000
Land	860,520
Capital assets, net of depreciation	19,270,667
Deposits	6,160,922
Total noncurrent assets	<u>48,292,109</u>
Total assets	<u>140,133,323</u>

### LIABILITIES

Current liabilities	
Accrued cost of electricity	12,957,338
Accounts payable	1,513,754
Other accrued liabilities	1,693,427
User taxes and energy surcharges due to other governments	559,651
Total current liabilities	<u>16,724,170</u>

### DEFERRED INFLOWS OF RESOURCES

Rate Stabilization Fund	22,000,000
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### NET POSITION

Investment in capital assets	20,131,187
Unrestricted	81,277,966
Total net position	<u>\$ 101,409,153</u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**July 1, 2021 through August 31, 2021**

**OPERATING REVENUES**

Electricity sales, net	\$ 33,905,875
Evergreen electricity premium	343,598
Liquidated damages	150,672
Total operating revenues	<u>34,400,145</u>

**OPERATING EXPENSES**

Cost of electricity	33,920,579
Contract services	1,360,955
Staff compensation	874,099
General and administration	342,680
Depreciation	225,605
Total operating expenses	<u>36,723,918</u>
Operating income (loss)	<u>(2,323,773)</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest income	44,711
Nonoperating revenues (expenses), net	<u>44,711</u>

**CHANGE IN NET POSITION**

	(2,279,062)
Net position at beginning of period	<u>103,688,215</u>
Net position at end of period	<u>\$ 101,409,153</u>



# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS July 1, 2021 through August 31, 2021

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 31,793,043
Other operating receipts	541,031
Payments to electricity suppliers	(35,778,795)
Payments for other goods and services	(2,011,878)
Payments for staff compensation	(858,809)
Tax and surcharge payments to other governments	(392,738)
Payments for program rebates and incentives	<u>(25,816)</u>
Net cash provided (used) by operating activities	<u>(6,733,962)</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(2,626,986)</u>
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### CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>59,825</u>
Net cash provided (used) by investing activities	<u>59,825</u>

Net change in cash and cash equivalents	(9,301,123)
Cash and cash equivalents at beginning of year	<u>85,096,366</u>
Cash and cash equivalents at end of period	<u>\$ 75,795,243</u>

### Reconciliation to the Statement of Net Position

Unrestricted cash and cash equivalents (current)	\$ 53,795,243
Unrestricted cash and cash equivalents (noncurrent)	<u>22,000,000</u>
Cash and cash equivalents	<u>\$ 75,795,243</u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF CASH FLOWS (continued)**  
**July 1, 2021 through August 31, 2021**

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET  
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	\$ (2,323,773)
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	225,605
Revenue adjusted for allowance for uncollectible accounts	698,969
(Increase) decrease in:	
Accounts receivable	(3,128,995)
Other receivables	(580,196)
Accrued revenue	(458,667)
Prepaid expenses	(142,248)
Deposits	(250,000)
Increase (decrease) in:	
Accrued cost of electricity	(1,140,969)
Accounts payable	(337,463)
Accrued liabilities	(162,394)
User taxes due to other governments	39,523
Supplier security deposits	826,646
Net cash provided (used) by operating activities	<u>\$ (6,733,962)</u>



## Staff Report - Item 05

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**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:** November 4, 2021

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### **Requested Action:**

Receive Legislative and Regulatory Updates and provide direction as appropriate.

### **Regulatory Update:**

#### Joint Settlement between CCAs, PG&E, and Public Advocates Office

On October 15<sup>th</sup>, SCP and other Northern California CCAs filed a joint motion with PG&E and the Public Advocates Office at the CPUC to enter into a settlement agreement to resolve all disputed issues in PG&E's 2020 Energy Resource Recovery Account "ERRA" Application.

As background, ERRA Applications are the procedural vehicle for the majority of PG&E's cost recovery. Every year is subject to a Forecast application that sets rates for the upcoming year, and a Compliance application that reviews the utility's adherence to prudent portfolio management and accurate accounting and allocation of costs. These proceedings have historically required extensive data requests by CCAs to understand and verify the calculations made by the utility and legal and policy support for assigning costs. PG&E filed its Application on March 1, 2021. If the settlement is adopted it would conclude PG&E's 2020 filing.

The settlement agreement addresses a variety of topical areas. Most notably, these include:

1) PG&E's treatment of sanctions. PG&E agrees to a disallowance of \$247,500 associated with CAISO penalties for load meter data errors (\$202,000), late submission of Resource Adequacy and Supply Plans (~\$2,000) and missed deadlines for grid modeling data or telemetry communication for PG&E's utility owned generation (~\$43,500). In addition, PG&E agrees that any future CAISO sanctions of this nature will not be recovered from customers.

2) Cost allocation for PG&E's 100% renewable tariff. A total of \$5 million in bill credits will be returned to CCA customers and those costs will be allocated to PG&E customers who take service from their "Green Tariff Shared Renewables" rate in 2021 and beyond.

3) Diablo Canyon seismic studies costs. A total of \$4.7 million in costs previously assessed to departed customers will be returned as a credit for seismic study costs performed in 2017.

The settlement remains under review by the assigned administrative law judge.

### **Legislative Update:**

Staff are monitoring the federal infrastructure bill and related energy legislation. It is impossible to know exactly what will transpire at the time of this report, however it appears that some financial support for electric vehicles is likely and some amount of tax credits or other support for renewable energy and storage is possible. However, it also seems likely that the federal mandate for utilities to increase their reliance on renewable energy is unlikely to get through. In any case, SCP will provide a summary on the outcome once it is clear.



**Staff Report - Item 06**

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**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: November 4, 2021**

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**There are no written materials for this item.**