



**AGENDA  
BOARD OF DIRECTORS MEETING  
THURSDAY, MARCH 3, 2022  
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 MARCH 3, 2022, 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/88546704126>
- Telephone number: 1 (253) 215-8782
  - Meeting ID: 885 4670 4126

**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 February 3, 2022, Draft Board of Directors Meeting Minutes (Staff Recommendation: Approve) - **pg. 5**
2. 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. 13**

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

3. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File) - **pg. 17**
4. Receive Legislative and Regulatory Updates and Approve Positions on AB1814 (Grayson) Transportation Electrification and Other Bills as Appropriate (Staff Recommendation: Approve) - **pg. 29**

### **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.)

## **ADJOURN**

## COMMONLY USED ACRONYMS AND TERMS

CAC	Community Advisory Committee
CAISO	California Independent Systems Operator – the grid operator
CCA	Community Choice Aggregator – a public power provider
CEC	California Energy Commission
CleanStart	SCP’s default power service
CPUC	California Public Utilities Commission
DER	Distributed Energy Resource
ERRA	Energy Resource Recovery Account – one of PG&E’s rate cases at the CPUC
EverGreen	SCP’s 100% renewable, 100% local energy service, and the first service in the United States providing renewable power every hour of every day.
Geothermal	A locally-available, low-carbon baseload renewable resource
GHG	Greenhouse gas
GRC	General Rate Case – one of PG&E’s rate cases at the CPUC
GridSavvy	GridSavvy Rewards are available to SCP customers for reducing household energy use when needed to help California ensure reliable low-emission power. A form of ‘demand response.’
IOU	Investor Owned Utility (e.g., PG&E)
IRP	Integrated Resource Plan – balancing energy needs with energy resources
JPA	Joint Powers Authority
MW	Megawatt is a unit of power and measures how fast energy is being used or produced at one moment.
MWh	Megawatt-hour is a unit of energy and measures how much energy is used or produced over time.
NEM	Net Energy Metering
NetGreen	SCP’s net energy metering bonus
PCIA	Power Charge Indifference Adjustment – a fee charged by PG&E to all electric customers to ensure PG&E can pay for excess power supply contracts that it no longer needs.
RA	Resource Adequacy – a required form of capacity that helps ensure there are sufficient power resources available when needed.
RPS	Renewables Portfolio Standard refers to certain kinds of renewable energy which qualify to meet state requirements, including wind, solar, geothermal.
SCP	Sonoma Clean Power
TOU	Time of Use, used to refer to rates that differ by time of day

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**DRAFT MEETING MINUTES  
BOARD OF DIRECTORS MEETING  
THURSDAY, FEBRUARY 3, 2022  
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 FEBRUARY 3, 2022, MEETING BY TELECONFERENCE.

**CALL TO ORDER**

Chair Bagby called the meeting to order at approximately 8:52 a.m.

Board Members present: Chair Bagby, Vice Chair King, and Directors Landman, Elward, Slayter, Fudge, Gjerde, and Hopkins. Director Peters was absent. Directors Rogers and Felder were absent with prior notice.

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; Claudia Sisomphou, Communications and Engagement Manager; and Joshua Nelson, Special Counsel.

**BOARD OF DIRECTORS CONSENT CALENDAR**

1. Approve January 6, 2022, Draft Board of Directors Meeting Minutes
2. Authorize Extension of SCP Resolution 2021-05 Permitting Remote Teleconference Meetings of the Board of Directors and Community Advisory Committee Pursuant to AB 361
3. Approve 3% Performance-Based Salary Increase for CEO Syphers to be Effective March 1, 2022
4. Delegate Authority to the CEO or His Designee to Execute a Legal Services Agreement with Best Best & Krieger LLP in the Amount Not-To-Exceed of \$180,000

Public Comment: None

Vice Chair King asked for a correction to the January 6, 2022, Meeting Minutes, he asked that the spelling of his Alternate Director's name be corrected to "McDonell."

Motion to Approve the February 3, 2022, Board of Directors Consent Calendar as amended by Vice Chair King.

Second: Elward

Motion passed by roll call vote:

AYES: Bagby, Landman, King, Elward, Slayter, Fudge, Gjerde, Hopkins

NAYES: None

ABSENT: Peters, Rogers, Felder

## **BOARD OF DIRECTORS REGULAR CALENDAR**

### **5. Appointment of Chair and Vice Chair of the Board for One-Year Terms**

This Item was bifurcated, and a vote was taken separately on the Chair and Vice Chair positions.

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

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

Second: Gjerde

Public Comment: None

Motion passed by roll call vote:

AYES: Bagby, Landman, King, Elward, Slayter, Fudge, Gjerde, Hopkins

NAYES: None

ABSENT: Peters, Rogers, Felder

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

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

Second: Bagby

Public Comment: None

Motion passed by roll call vote:

AYES: Bagby, Landman, King, Elward, Slayter, Fudge, Gjerde, Hopkins

NAYES: None

ABSENT: Peters, Rogers, Felder

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

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

Stephanie Reynolds, Director of Internal Operations, gave an update on the temporary Closure of the Advanced Energy Center (AEC) and clarified that the AEC is still giving private tours and tours can be scheduled. Director Reynolds expanded that the previous week the AEC hosted a tour with the Economic Development Board and stated that Center staff has been working on facility upgrades during the closure. She gave an update on the California Electric Vehicle Infrastructure Project (CalEVIP) and stated that the first charging stations will be opening in 2022.

Geof Syphers, Chief Executive Officer (CEO), touched on financials through November 2021. He stated that a key item in the financials is that SCP is still under collecting from customers, but the gap is closing.

Director Gjerde asked for a contact for SCP's CalEVIP program.

Public Comment: None

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

Neal Reardon, Director of Regulatory Affairs, started by reminding the Board that the Public Utilities Commission (PUC) will vote on PG&E's proposed rate changes on February 10, 2022. He explained that with this vote, PG&E's bundled rates will go up significantly and the Power Charge Indifference (PCIA) exit fee will go down significantly. If the Proposed Decision is approved, PG&E will implement the new rates on March 1, 2022. In turn, SCP will expect to implement rate adjustments on April 1, 2022.

CEO Syphers discussed Governor Newsom's budget proposal on climate related activities. He discussed Senator McGuire's Climate Emergency Resolution and SCP filed a letter of support. He discussed Net Energy Metering (NEM) reform, expected to be voted on February 10, 2022 by the CPUC, which has been criticized for having a negative effect on rooftop solar installations. CEO Syphers continued that rooftop solar coalitions and homeowners have filed a state ballot initiative with the Secretary of State to have all solar compensated at retail.

Director Bagby acknowledged the hard work of SCP staff and requested that the Board address the NEM issue.

Director Landman requested that the Board discuss rooftop solar and take a position on the NEM proposal.

Director Slayter requested information about what is coming from the Governor's office regarding rooftop solar.

Director Hopkins asked SCP to take a side on the rooftop solar issue.

Vice Chair Fudge explained that the Town of Windsor has taken the rooftop solar issue on and asks the Board take up the issue.

Director Bagby advised staff to craft a letter regarding rooftop solar and requested the Chair and Vice Chair meet and confer to get the letter out.

Director Gjerde, Director Slayter, and Director Landman supported sending a letter opposing the current NEM reform proposal.

Chair King supported sending an opposition letter and added that at the January 24, 2022 Petaluma City Council Meeting, the Council sent an opposition letter.

Public Comment: Barry C. Lawrence submitted the written comment below:

"Dear Board Members:

I am an Evergreen, Drive EV, Grid Savvy, Net Green, EV-A customer with a home solar system including power wall-backup as well as an electric vehicle using a charger provided by SCP. The last two years I have sold SCP my solar excess electricity. We have a mutually beneficial relationship.

As a Sonoma Clean Power customer and a household, I am concerned about the Possible fact that PG&E thru the PUC wants to implement a \$57/Month (\$684/Yr.) penalty charge for solar ownership, cut solar credits for clean energy sent to the grid by 80% and roll back existing protections and agreements to solar users.

They incorrectly claim the current setup disallows low-income people from acquiring a solar system. This is absolutely wrong assumption.

I am a low-income Senior living on fixed income of less than \$3,500/mo. income! I acquired my system thru Sonoma county's Energy and sustainability Division. No credit check low interest rate and only two yearly payments paid thru one's property tax and with some tax credits involved I was able to get a nice solar system installed.

This PUC proposal would increase my monthly bill to PG&E and would definitely affect my income.



Please use your influence with Governor Newsom and the PUC to stop these proposals and to work on measures that promote, support, and continue to encourage the deployment of clean solar energy. That's what SCP is all about.

The PUC's (PG&E's) measures are short sighted, punitive, and regressive and go back on their 20-year agreement with us solar installers. We need clean progressive energy measures and legislation to save our environment. Not additional punitive extra monthly charges and changing already agreed upon protections.

Sincerely,

Barry C. Lawrence

Petaluma

Sonoma County has the highest solar installations per capita in the entire United States including a new one on Sonoma Mountain (mine). Sonoma Clean Power EverGreen is now 50% geothermal and 50% solar!"

8. Approve Parameters to Establish New Customer Rates for Implementation Following Certain Changes to Customer Exit Fees on or After March 1, 2022

CEO Syphers began with a recap of rate changes in the past and explained that the last several years SCP has had to adopt rates that are reactive because SCP does not have details about PG&E rate changes typically until the day they implement them. He explained that this year will likely be no different and we expect implementation of PG&E's rate changes on March 1, 2022. He further stated that this year's rate changes will include a dramatic decrease in the PCIA, but there will also be a significant increase in PG&E's other rates including distribution, generation and a wildfire fund. CEO Syphers recommended establishing rates as soon after March 1, 2022 as possible, which for SCP would be April 1, 2022.

Director Landman stated that there is a difference between a 3% and a 5% rate change and that one of SCP's goals was to provide clean energy at a lower price.

Director Slayter inquired if PG&E's delivery costs are audited. Director Reardon replied that yes, they are through General Rate Case (GRC) applications.

*At approximately 10:04 a.m., Director Rogers entered the meeting.*

Public Comment: None

Director Bagby amended her motion to limit the changes to customer rates to be capped such that SCP customers would be limited to paying 3% above total bundled service bills.

Motion to Approve Parameters to Establish New Customer Rates for Implementation Following Certain Changes to Customer Exit Fees on or After March 1, 2022, as amended, by Director Bagby.

Second: Landman

Motion passed by roll call vote:

AYES: Bagby, Landman, King, Elward, Rogers, Slayter, Fudge, Gjerde, Hopkins

NAYES: None

ABSENT: Peters, Felder

## 9. Empower Update - Engaging Youth

Claudia Sisomphou, Communications and Engagement Manager, began with a background on Empower SCPs outreach program and introduced the fourth category "Engaging Youth." She explained that topics for engaging youth include: climate change, education for students and their households, and she requested ideas from the Board.

Director Elward stated that elementary schools should be targeted.

Director Landman recommended bolstering some programs already in place, such as the Sonoma Water energy education partnership, and make equity a priority.

Director Bagby supported a video program with the youth and requested Sisomphou reach out to discuss programs in Northern Sonoma County.

Director Fudge asked SCP to reach out to the Sonoma-Marín Area Rail Transit (SMART) and join their educational efforts.

Chair King requested more live events and field trips to the AEC.

Director Bagby suggested meeting the community where they are and suggested joining meetings from other organizations such as the Sonoma County Bicycle Coalition.

Director Hopkins requested outreach to West County activist clubs to gather student leaders. She inquired if we have Community Advisory Committee (CAC) youth members. CEO Syphers answered that while we do not, we do have younger members on the Committee now.

Public Comment:

Madge Strong inquired as to what was happening in Mendocino County. Sisomphou said she would reach out and have a conversation offline.

#### **BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS**

None

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

Public Comment: None

#### **ADJOURN**

Chair King adjourned the meeting at approximately 10:34 a.m.

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## Staff Report - Item 02

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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:** March 3, 2022

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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*



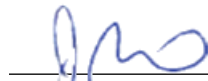
Chair, Sonoma Clean Power Authority

Attest:



Clerk of the Board

APPROVED AS TO FORM:



Special Counsel,  
Sonoma Clean Power Authority

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## Staff Report - Item 03

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

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

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

**Date:** March 3, 2022

### ADVANCED ENERGY CENTER

The Advanced Energy Center has reopened! During the closure, staff worked on new design additions of simple solutions on how to live in an all-electric home. We encourage you to visit and see the updates.

### CURRENT ENROLLMENT

#### Clean Start:

COUNTY	Eligible	SCP	% Part.	% Opt Out
<input checked="" type="checkbox"/> MENDOCINO	38,437	30,712	79.9%	20.1%
FORT BRAGG INC	4,032	3,347	83.0%	17.0%
POINT ARENA INC	349	297	85.1%	14.9%
UNINC MENDOCINO CO	31,313	24,872	79.4%	20.6%
WILLITS INC	2,743	2,196	80.1%	19.9%
<input checked="" type="checkbox"/> SONOMA	225,300	198,667	88.2%	11.8%
CLOVERDALE INC	3,891	3,237	83.2%	16.8%
COTATI INC	3,876	3,519	90.8%	9.2%
PETALUMA INC	27,087	24,126	89.1%	10.9%
ROHNERT PARK INC	19,161	17,086	89.2%	10.8%
SANTA ROSA INC	76,922	68,256	88.7%	11.3%
SEBASTOPOL INC	4,417	4,022	91.1%	8.9%
SONOMA INC	6,445	5,640	87.5%	12.5%
UNINC SONOMA CO	73,537	64,030	87.1%	12.9%
WINDSOR INC	9,964	8,751	87.8%	12.2%
<b>Total</b>	<b>263,737</b>	<b>229,379</b>	<b>87.0%</b>	<b>13.0%</b>

## Evergreen:

COUNTY	SCP Meters	EverGreen Meters	EverGreen %
☐ <b>SONOMA</b>	<b>198,667</b>	<b>3,358</b>	<b>1.69%</b>
SEBASTOPOL INC	4,022	170	4.23%
COTATI INC	3,519	123	3.50%
PETALUMA INC	24,126	565	2.34%
SANTA ROSA INC	68,256	1,158	1.70%
UNINC SONOMA CO	64,030	962	1.50%
SONOMA INC	5,640	80	1.42%
ROHNERT PARK INC	17,086	230	1.35%
CLOVERDALE INC	3,237	23	0.71%
WINDSOR INC	8,751	47	0.54%
☐ <b>MENDOCINO</b>	<b>30,712</b>	<b>410</b>	<b>1.33%</b>
POINT ARENA INC	297	13	4.38%
UNINC MENDOCINO CO	24,872	336	1.35%
FORT BRAGG INC	3,347	41	1.22%
WILLITS INC	2,196	20	0.91%
<b>Total</b>	<b>229,379</b>	<b>3,768</b>	<b>1.64%</b>

## PLANNED MARKET RESEARCH

To gauge overall brand awareness and to better understand customers' (and non-customers') needs and opinions, Sonoma Clean Power plans to conduct an annual survey, beginning in late March, with findings available in May. Spanish language focus groups have just been completed, with findings expected by mid-March. Next fiscal year, SCP plans to conduct customer satisfaction and commercial account surveys. Each survey instrument's findings will help inform future marketing, customer program and outreach efforts.

## PROGRAMS UPDATES

### *Energy education in schools*

Leveraging Sonoma Water's successful water education program, SCP continues to collaborate with Sonoma Water to deliver energy education to Sonoma and Mendocino schools. The Water and Energy Education Program is free and provides classroom visits, field trips, contests, grants, teacher workshops, and school supplies. For more information, please visit [www.sonomawater.org/education](http://www.sonomawater.org/education).

### Elementary School

In January 2022, 13 third-grade classes received presentations, totaling 265 students. Presentation topics included climate change, greenhouse gas emissions, and water and energy conservation. Schools included Penngrove Elementary (Penngrove), Valley Vista Elementary (Petaluma), Mark West Elementary (Santa Rosa), Abraham Lincoln Elementary (Santa Rosa), Cali Calmecac (Windsor), Kenwood Elementary (Kenwood).

### High School

SCP and Sonoma Water are developing new high school lessons on climate change and designing field trips to the Advanced Energy Center.

### Teacher Support

*A Call to Action*, a small grant program, is available for teachers and their students for projects related to water or climate change. Teachers can request \$100 to \$1,000 for their solution-focused project.

A 5-day teacher workshop highlighting climate change resilience and education opportunities in Sonoma County is planned for July 2022.

### ***Advanced Energy Build***

Advanced Energy Build (AEB), Sonoma Clean Power's territory-wide new construction program, has received project applications representing a combined 624 housing units as of 2/16/22. This includes 597 multifamily units and 27 single-family homes, with 80% being affordable homes and 100% of which will be all-electric. Staff has extended the program application deadline to June 30<sup>th</sup> for low-income projects. In total, the program is expected to provide up to \$1.9M in incentives to help build high-efficiency and all-electric new homes in Sonoma and Mendocino counties. 9

## **MONTHLY COMPILED FINANCIAL STATEMENTS**

The year-to-date change in net position is more negative than projections due primarily to greater than expected cost of energy. Revenue from electricity sales is nearly equal to budget projections, and cost of energy is more than expectations by approximately 3%. Year-to-date electricity sales reached \$91,060,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position is a positive \$94,240,000. In addition to Net Position, SCP maintains an Operating Account Fund of \$26,000,000 at the end of the period. Approximately

\$72,453,000 is set aside for reserves (Operating Reserve: \$59,345,000; Program Reserve: \$10,868,000; and Collateral Reserve: \$2,240,000).

## **BUDGETARY COMPARISON SCHEDULE**

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

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.

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.

## **ATTACHMENTS**

- December 2021 Financials

## **UPCOMING MEETINGS**

- Community Advisory Committee - March 17, 2022
- Board of Directors - April 7, 2022
- Community Advisory Committee - April 21, 2022
- Board of Directors - May 5, 2022



## ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
Sonoma Clean Power Authority

Management is responsible for the accompanying special purpose statement of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended December 31, 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  
January 26, 2022

**SONOMA CLEAN POWER AUTHORITY  
OPERATING FUND  
BUDGETARY COMPARISON SCHEDULE  
Six Months Ended December 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) *	\$ 89,414,979	\$ 89,953,456	\$ 538,477	101%	\$ 179,277,000	\$ 89,323,544
Evergreen Premium (net of allowance)	994,766	1,106,986	112,220	111%	2,074,000	967,014
Inflow from Operating Account Fund Reserves	-	-	-	0%	1,353,000	1,353,000
CEC Grant	1,032,500	571,133	(461,367)	55%	2,065,000	1,493,867
BAAQMD grant	25,000	71,250	46,250	285%	50,000	(21,250)
Interest income	420,000	151,484	(268,516)	36%	840,000	688,516
Total revenue and other sources	91,887,245	91,854,309	(32,936)	100%	185,659,000	93,804,691
<b>EXPENDITURES AND OTHER USES:</b>						
<b>CURRENT EXPENDITURES</b>						
Cost of energy and scheduling	85,221,073	88,110,462	2,889,389	103%	159,436,000	71,325,538
Data management	1,598,772	1,596,435	(2,337)	100%	3,198,000	1,601,565
Service fees- PG&E	486,279	485,335	(944)	100%	973,000	487,665
Personnel	3,100,000	2,550,804	(549,196)	82%	6,200,000	3,649,196
Outreach and communications	675,000	430,673	(244,327)	64%	1,350,000	919,327
Customer service	181,500	216,037	34,537	119%	363,000	146,963
General and administration	570,000	534,772	(35,228)	94%	1,140,000	605,228
Legal	205,000	195,502	(9,498)	95%	410,000	214,498
Regulatory and compliance	215,000	99,956	(115,044)	46%	430,000	330,044
Accounting	122,500	117,570	(4,930)	96%	245,000	127,430
Legislative	60,000	-	(60,000)	0%	120,000	120,000
Other consultants	112,500	149,122	36,622	133%	225,000	75,878
Industry memberships and dues	268,000	238,486	(29,514)	89%	536,000	297,514
Program implementation	2,820,000	963,558	(1,856,442)	34%	5,640,000	4,676,442
Program - CEC grant	2,000,000	748,213	(1,251,787)	37%	4,000,000	3,251,787
Total current expenditures	97,635,624	96,436,925	(1,198,699)	99%	184,266,000	87,829,075
<b>OTHER USES</b>						
Capital outlay	696,500	810,948	114,448	116%	1,393,000	582,052
Total Expenditures, Other Uses and Debt Service	98,332,124	97,247,873	(1,084,251)	99%	185,659,000	88,411,127
Net increase (decrease) in available fund balance	\$ (6,444,879)	\$ (5,393,564)	\$ 1,051,315		\$ -	\$ 5,393,564

\* Represents sales of approximately 1,159,000 MWh for 2021/22 YTD actual.

	Current Balance	% of Long-Term Term Target	Long-Term Target Balance
<b>RESERVES</b>			
Operating Cash Reserve	\$ 59,345,000	64%	\$ 92,133,000
Program Cash Reserve	10,868,000	59%	18,426,600
Collateral Cash Reserve	2,240,000	14%	15,943,600
	\$ 72,453,000	57%	\$ 126,503,200

**SONOMA CLEAN POWER AUTHORITY**  
**OPERATING FUND**  
**BUDGET RECONCILIATION TO STATEMENT OF**  
**REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**Six Months Ended December 31, 2021**

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ (5,393,564)
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(682,038)
Add back capital asset acquisitions	827,898
Add back certain program expenses recognized for budget purposes only	(200,000)
Change in net position	<u><u>\$ (5,447,704)</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 December 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  
January 26, 2022



# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of December 31, 2021

### ASSETS

#### Current assets

Cash and cash equivalents	\$ 47,428,322
Accounts receivable, net of allowance	19,562,004
Other receivables	1,396,569
Accrued revenue	8,580,897
Prepaid expenses	979,583
Deposits	4,779,205
Total current assets	<u>82,726,580</u>

#### Noncurrent assets

Unrestricted cash in Rate Stabilization Fund	26,000,000
Land	860,520
Capital assets, net of depreciation	19,185,914
Deposits	6,160,922
Total noncurrent assets	<u>52,207,356</u>
Total assets	<u>134,933,936</u>

### LIABILITIES

#### Current liabilities

Accrued cost of electricity	11,967,849
Accounts payable	1,111,239
Other accrued liabilities	1,039,714
User taxes and energy surcharges due to other governments	574,625
Total current liabilities	<u>14,693,427</u>

### DEFERRED INFLOWS OF RESOURCES

Rate Stabilization Fund	<u>26,000,000</u>
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### NET POSITION

Investment in capital assets	20,046,434
Unrestricted	<u>74,194,075</u>
Total net position	<u>\$ 94,240,509</u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**Six Months Ended December 31, 2021**

**OPERATING REVENUES**

Electricity sales, net	\$ 89,953,456
Evergreen electricity premium	1,106,986
Grant revenue	642,383
Total operating revenues	<u>91,702,825</u>

**OPERATING EXPENSES**

Cost of electricity	88,110,462
Contract services	4,413,507
Staff compensation	2,550,804
General and administration	978,627
Program rebates and incentives	566,575
Depreciation	682,038
Total operating expenses	<u>97,302,013</u>
Operating income (loss)	<u>(5,599,188)</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest income	151,484
Nonoperating revenues (expenses), net	<u>151,484</u>

**CHANGE IN NET POSITION**

	(5,447,704)
Net position at beginning of period	<u>99,688,213</u>
Net position at end of period	<u>\$ 94,240,509</u>

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS Six Months Ended December 31, 2021

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 91,885,372
Other operating receipts	3,076,479
Payments to electricity suppliers	(93,331,460)
Payments for other goods and services	(5,933,656)
Payments for staff compensation	(2,591,326)
Tax and surcharge payments to other governments	(1,159,600)
Payments for program rebates and incentives	(614,991)
Net cash provided (used) by operating activities	<u>(8,669,182)</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(3,152,458)</u>
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### CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>153,598</u>
Net cash provided (used) by investing activities	<u>153,598</u>

Net change in cash and cash equivalents	(11,668,042)
Cash and cash equivalents at beginning of year	<u>85,096,364</u>
Cash and cash equivalents at end of period	<u><u>\$ 73,428,322</u></u>

### Reconciliation to the Statement of Net Position

Unrestricted cash and cash equivalents (current)	\$ 47,428,322
Unrestricted cash and cash equivalents (noncurrent)	<u>26,000,000</u>
Cash and cash equivalents	<u><u>\$ 73,428,322</u></u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF CASH FLOWS (continued)**  
**Six Months Ended December 31, 2021**

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

Operating income (loss)	\$ (5,599,188)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	682,038
Revenue adjusted for allowance for uncollectible accounts	1,858,390
(Increase) decrease in:	
Accounts receivable	(2,645,264)
Other receivables	144,275
Accrued revenue	397,707
Prepaid expenses	130,759
Deposits	(986,289)
Increase (decrease) in:	
Accrued cost of electricity	(1,202,992)
Accounts payable	(576,783)
Accrued liabilities	(1,093,132)
User taxes due to other governments	54,497
Supplier security deposits	166,800
Net cash provided (used) by operating activities	<u><u>\$ (8,669,182)</u></u>



## Staff Report - Item 04

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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 Approve Positions on AB 1814 (Grayson) Transportation Electrification and Other Bills as Appropriate

**Date:** March 3, 2022

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### Requested Action:

Receive legislative and regulatory updates and approve a support position on AB 1814 and other legislative positions as the Board deems appropriate.

### Updates:

#### New Rates Going into Effect March 1<sup>st</sup>, 2022

On February 10th the CPUC approved the Proposed Decision in PG&E's Energy Resources Recovery Account ("ERRA") Forecast proceeding which would lower exit fees levied on CCA customers and raise PG&E's bundled generation rates. This concludes a nearly 9-month process of litigation and data requests. Changes to PG&E bundled rates and the PCIA exit fee will go into effect March 1<sup>st</sup>, 2022. The new rates are consistent with what CCA staff expected and will allow for the agency to recoup funds used in the current fiscal year to reduce SCP customer costs.

SCP staff will bring a separate item to the board recommending adoption of rates based on the final rates adopted by PG&E. Adjustments to SCP rates would go into effect on April 1<sup>st</sup>, 2022.

## Proposed Decision Reforming Net Energy Metering ("NEM") Delayed Until Further Notice

As discussed during our February 3<sup>rd</sup> Board of Directors Meeting, the CPUC issued a Proposed Decision revising net energy metering 2.0 ("NEM 2.0") and replacing it with "Net Billing." These tariffs are what allow customers with onsite renewable generation – often solar systems on their roofs – to receive financial credits for the energy they produce. The Proposed Decision would reduce the subsidies provided by all customers to those who participate in NEM. During the February 3<sup>rd</sup> Board of Directors Meeting, the Board directed Sonoma Clean Power staff to submit a letter opposing several aspects of the Proposed Decision. The letter is attached to this item.

The Assigned Judge has since notified stakeholders that this Proposed Decision will not be voted on until further notice. The Judge plans to re-open the proceeding for an additional round of oral arguments. This would allow all five Commissioners – two of whom were recently appointed – to participate in oral arguments and fully develop their positions on NEM reform.

### **Legislative Updates:**

#### **SB 881 (Min) Integrated Resource Plans**

The Union of Concerned Scientists (UCS) is sponsoring a bill intending to ensure that all electric providers meet the greenhouse gas reduction goals implied by SB 100. The situation is that SB 100 sets requirements for increasing use of renewable power sources and hydropower, and those requirements amount to de facto greenhouse gas requirements. However, UCS likely recognizes that the current penalties for missing the SB 100 requirements are currently low enough that at least one direct access provider has flagrantly ignored those requirements.

Staff's concern is that the bill's current language could slow down SCP's progress on procuring clean resources, limit SCP's ability to determine what kinds of clean power resources should be used, and increase ratepayer costs. These concerns arise because the bill would grant new powers to the CPUC to determine the mix of clean power resources a CCA must use to meet its greenhouse gas goals, and new powers to order backstop procurement of those resources. Such an approach risks significantly higher ratepayer costs since it assumed the CPUC has perfect foresight of the availability of resources, changes in market prices and knowledge of local needs.

Staff's intention is to work with UCS to help them achieve their goal of ensuring the State's greenhouse gas goals implied in SB 100 are achieved, while working to preserve SCP's ability to determine the best manner to achieve those goals.

### **SB 1158 (Becker) Hourly Greenhouse Gas Reporting**

In a similar spirit to SB 881, this bill proposes to establish a number of new rules around integrated resource plans, greenhouse gas requirements, compliance reporting, and proposes a 24/7 hourly basis for these new rules. Staff are reviewing this bill.

### **AB 1814 (Grayson) Transportation Electrification - Recommend SUPPORT**

CalCCA is sponsoring a bill to explicitly allow CCAs to apply to transportation electrification funding at the CPUC. If passed, this bill would greatly increase the stability of funds available to administer for local electric vehicle infrastructure and related work. Staff's current activities are related to seeking coauthors and building a coalition to support access to these funds, which all electric customers pay for.

### **SB 1287 (Bradford) Financial Security Requirements for CCAs**

In existing law, CCAs must post a bond with the CPUC to cover the costs of six months of incremental power resources in case a CCA should fail and cause their customers to go back to the IOU. This bill would increase the bond amount to be the estimated incremental procurement costs for twelve months and set a floor for the bond of \$500,000. The bond would have no upper limit.

Staff are concerned this bill could discourage or prevent new CCAs from forming, particularly in rural and poor areas, since the bond amount could be quite large and would need to be posted prior to a new CCA receiving any income. By increasing the bond amount, the bill could also play a contributing factor in causing a CCA to fail, since the amount can be adjusted upward during increases in energy market costs, even in situations where a CCA acts responsibly and procures its energy in advance. In such a situation, a CCA could be faced with double the price exposure of an IOU, in which case this bill could contribute to its failure.

Staff flag this bill, but wish to engage the author before taking a position.

**Attachments:**

- SCP Letter re: NEM Reform A. Reynolds
- AB 1814 Bill Language
- AB 1814 Fact Sheet





431 E Street  
Santa Rosa, CA 95404

[sonomacleanpower.org](http://sonomacleanpower.org)

February 8, 2022

President Alice Reynolds  
California Public Utilities Commission  
505 Van Ness Ave  
San Francisco, CA 94102

Re: Net Energy Metering Successor Tariff Proposed Decision

Dear President Reynolds,

We are writing to express our concerns with several elements in the proposed decision revising the Net Energy Metering (“NEM”) Tariff.

Sonoma Clean Power Authority (“SCP”) is the public power provider for Sonoma and Mendocino counties, serving a population of about a half-million. In downtown Santa Rosa, SCP operates the only Advanced Energy Center in the United States dedicated to helping customers transition to 100% renewable energy for their homes, businesses, and cars. SCP is also the only power provider in California offering 100% locally generated renewable energy twenty-four hours per day, every day of the year.

Our mission is to turn the tide of the climate crisis through bold ideas and practical programs. To achieve this, we will need a balanced portfolio of renewable resources. Rooftop solar plays an important role in this portfolio. In addition to supporting climate goals, it can enhance resiliency. IOUs indicate they plan to rely on the PSPS strategy to reduce the number of wildfires their equipment ignites for the coming decade. At best, this is an inconvenience. For medically vulnerable citizens, it is a direct threat to safety. Providing for continued use of solar and storage resources is necessary for these citizens to protect themselves from PSPS.

The proposed decision attempts to balance equitable rates and support for rooftop solar. However, we can do both. A variety of available technologies including batteries, heat pump water heaters, and electric vehicles can create demand just when solar produces it. Supporting increased adoption of these tools, via additional SGIP funding or similar mechanisms, will re-invigorate the value of solar energy. Without this, we allow solar to become a victim of its own success and suppress mid-day prices.

Imposing a grid access charge that bears little relation to a customer's actual reliance on the distribution system is both inequitable and draconian. It would also undermine other important policy efforts. By raising fixed costs, the Commission would neuter the effectiveness of another tool: time of use rates. Customers ultimately care about their total bill, not the individual components. They will not be motivated to change behavior in response to time of use rates if the bill impact is negligible. The Commission should reduce the grid access charge and tailor it to reflect actual reliance on the distribution system.

The proposed decision's introduction of retro-active ratemaking by ceasing to honor the 20-year NEM agreement promised to existing customers should be rejected. It will not only impact those customers but will undermine CA's credibility as a leader that stands by commitments. Work to reform NEM in a meaningful way should have begun five years earlier. However, customers should not be punished with a five-year reduction in benefits that resulted from the Commission's own delay. We do support the recent determination to re-open oral arguments and allow all five commissioners the opportunity to participate and fully develop their opinions on the matter.

We look forward to working with the Commission and stakeholders to pursue an affordable and stable clean energy future.

Sincerely,

A handwritten signature in black ink, reading "Geof Syphers". The signature is fluid and cursive, with a large loop at the end.

Geof Syphers  
CEO  
Sonoma Clean Power Authority

**ASSEMBLY BILL**

**No. 1814**

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**Introduced by Assembly Member Grayson**

February 7, 2022

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An act to amend Section 740.12 of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 1814, as introduced, Grayson. Transportation electrification: community choice aggregators.

The California Constitution and the Public Utilities Act vest the Public Utilities Commission (PUC) with regulatory authority over public utilities, including electrical corporations. Existing law requires the PUC, in consultation with the State Energy Resources Conservation and Development Commission and the State Air Resources Board, to direct electrical corporations to file applications for programs and investments to accelerate widespread transportation electrification to reduce dependence on petroleum, meet air quality standards, achieve the goals set forth in the Charge Ahead California Initiative, and reduce emissions of greenhouse gases to 40% below 1990 levels by 2030 and to 80% below 1990 levels by 2050. Existing law requires that those programs proposed by electrical corporations seek to minimize overall costs and maximize overall benefits. Existing law requires the PUC to approve, or modify and approve, programs and investments in transportation electrification, including those that deploy charging infrastructure, through a reasonable cost recovery mechanism, if they are consistent with the above-described purposes, do not unfairly compete with nonutility enterprises, include performance accountability measures, and are in the interests of ratepayers.

Existing law authorizes a community choice aggregator to aggregate the electrical load of interested electricity consumers within its boundaries and requires a community choice aggregator to file an implementation plan with the PUC, to register with the PUC, and to enter into an operating service agreement with an electrical corporation.

This bill would, as part of the PUC's program described above, authorize community choice aggregators to file applications for programs and investments to accelerate widespread transportation electrification, as specified.

Under existing law, a violation of the Public Utilities Act or an order, decision, rule, direction, demand, or requirement of the PUC is a crime.

Because the provisions of this bill would be a part of the act and because a violation of a PUC action implementing the bill's requirements would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

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

1 SECTION 1. Section 740.12 of the Public Utilities Code is  
2 amended to read:

3 740.12. (a) (1) The Legislature finds and declares all of the  
4 following:

5 (A) Advanced clean vehicles and fuels are needed to reduce  
6 petroleum use, to meet air quality standards, to improve public  
7 health, and to achieve greenhouse gas emissions reduction goals.

8 (B) Widespread transportation electrification is needed to  
9 achieve the goals of the Charge Ahead California Initiative  
10 (Chapter 8.5 (commencing with Section 44258) of Part 5 of  
11 Division 26 of the Health and Safety Code).

12 (C) Widespread transportation electrification requires increased  
13 access for disadvantaged communities, low- and moderate-income  
14 communities, and other consumers of zero-emission and  
15 near-zero-emission vehicles, and increased use of those vehicles  
16 in those communities and by other consumers to enhance air

1 quality, lower *emissions of greenhouse gases emissions, gases,*  
2 and promote overall benefits to those communities and other  
3 consumers.

4 (D) Reducing emissions of greenhouse gases to 40 percent below  
5 1990 levels by 2030 and to 80 percent below 1990 levels by 2050  
6 will require widespread transportation electrification.

7 (E) Widespread transportation electrification requires ~~electrical~~  
8 ~~corporations~~ *load-serving entities, as defined in Section 380,* to  
9 increase access to the use of electricity as a transportation fuel.

10 (F) Widespread transportation electrification should stimulate  
11 innovation and competition, enable consumer options in charging  
12 equipment and services, attract private capital investments, and  
13 create high-quality jobs for Californians, where technologically  
14 feasible.

15 (G) Deploying electric vehicles should assist in grid  
16 management, integrating generation from eligible renewable energy  
17 resources, and reducing fuel costs for vehicle drivers who charge  
18 in a manner consistent with electrical grid conditions.

19 (H) Deploying electric vehicle charging infrastructure should  
20 facilitate increased sales of electric vehicles by making charging  
21 easily accessible and should provide the opportunity to access  
22 electricity as a fuel that is cleaner and less costly than gasoline or  
23 other fossil fuels in public and private locations.

24 (I) According to the State Alternative Fuels Plan analysis by  
25 the Energy Commission and the State Air Resources Board, light-,  
26 medium-, and heavy-duty vehicle electrification results in  
27 approximately 70 percent fewer greenhouse gases emitted, over  
28 85 percent fewer ozone-forming air pollutants emitted, and 100  
29 percent fewer petroleum used. These reductions will become larger  
30 as renewable generation increases.

31 (2) It is the policy of the state and the intent of the Legislature  
32 to encourage transportation electrification as a means to achieve  
33 ambient air quality standards and the state's climate goals.  
34 Agencies designing and implementing regulations, guidelines,  
35 plans, and funding programs to reduce *emissions of greenhouse*  
36 ~~gas emissions~~ *gases* shall take the findings described in paragraph  
37 (1) into account.

38 (b) (1) The commission, in consultation with the State Air  
39 Resources Board and the Energy Commission, shall direct electrical  
40 ~~corporations~~ *corporations, and authorize community choice*

1 *aggregators*, to file applications for programs and investments to  
2 accelerate widespread transportation electrification to reduce  
3 dependence on petroleum, meet air quality standards, achieve the  
4 goals set forth in the Charge Ahead California Initiative (Chapter  
5 8.5 (commencing with Section 44258) of Part 5 of Division 26 of  
6 the Health and Safety Code), and reduce emissions of greenhouse  
7 gases to 40 percent below 1990 levels by 2030 and to 80 percent  
8 below 1990 levels by 2050. ~~Programs~~

9 (2) *Programs* proposed by electrical corporations *or community*  
10 *choice aggregators* shall seek to minimize overall costs and  
11 maximize overall ~~benefits~~. ~~The benefits, including through~~  
12 ~~leveraging nonratepayer funding sources.~~

13 (3) *The* commission shall approve, or modify and approve,  
14 programs and investments in transportation electrification,  
15 including those that deploy charging infrastructure, via a reasonable  
16 cost recovery mechanism, if they are consistent with this section,  
17 do not unfairly compete with nonutility enterprises as required  
18 under Section 740.3, include performance accountability measures,  
19 and are in the interests of ratepayers as defined in Section 740.8.

20 ~~Not~~

21 (4) *If a community choice aggregator's application is approved,*  
22 *the applicable electrical corporation shall collect the approved*  
23 *charge from its distribution customers and shall distribute those*  
24 *moneys to the community choice aggregator pursuant to the*  
25 *approved application.*

26 (5) *Not* less than 35 percent of the investments *made* pursuant  
27 to this subdivision shall be in underserved ~~communities~~  
28 *communities*, as that term is defined in Section 1601.

29 (c) The commission shall review data concerning current and  
30 future electric transportation adoption and charging infrastructure  
31 ~~utilization prior to use before~~ authorizing an electrical corporation  
32 to collect new program costs related to transportation electrification  
33 in customer rates. If market barriers unrelated to the investment  
34 made by an electric corporation *or community choice aggregator*  
35 prevent electric transportation from adequately ~~utilizing~~ *using*  
36 available charging infrastructure, the commission shall not permit  
37 additional investments in transportation electrification without a  
38 reasonable showing that the investments would not result in  
39 long-term stranded costs recoverable from ratepayers.

1 (d) This section applies to an application to the commission for  
2 transportation electrification programs and investments if one of  
3 the following conditions is met:

4 (1) The application is filed on or after January 1, 2016.

5 (2) The application is filed before January 1, 2016, but has an  
6 evidentiary hearing scheduled on or after July 1, 2016.

7 SEC. 2. No reimbursement is required by this act pursuant to  
8 Section 6 of Article XIII B of the California Constitution because  
9 the only costs that may be incurred by a local agency or school  
10 district will be incurred because this act creates a new crime or  
11 infraction, eliminates a crime or infraction, or changes the penalty  
12 for a crime or infraction, within the meaning of Section 17556 of  
13 the Government Code, or changes the definition of a crime within  
14 the meaning of Section 6 of Article XIII B of the California  
15 Constitution.

O



## ASSEMBLYMEMBER TIM GRAYSON

### AB 1814

#### Transportation Electrification Funds: Community Choice Aggregators

##### **Summary:**

AB 1814 would authorize Community Choice Aggregators (CCAs) to submit applications to the California Public Utilities Commission (CPUC) to receive funding to administer transportation electrification programs in their service areas.

##### **Background:**

California has held lofty initiatives of meeting stringent air quality and climate change targets. A major component in meeting these targets are the state's transportation objectives to achieve five million zero-emission vehicles (ZEVs) on the road by 2030<sup>1</sup> and 250,000 electric vehicle charging stations by 2025<sup>2</sup>. These are essential because the transportation sector contributes a large percentage of nitrogen emissions, diesel particulate matter, and statewide greenhouse gas (GHG) emissions.

The CPUC plays a critical role in achieving these emission targets. Under their authority to regulate Investor-Owned Utilities (IOUs), they are directing strategic investments for transportation electrification projects, designing electricity rates, adopting vehicle-grid integration policy and pilot programs, and conducting program evaluation and interagency coordination to ensure strategically coordinated ZEVs investments.<sup>3</sup>

Alternative to IOUs, CCAs are local government entities that supply energy needs for their communities, offering an alternative and tailored choice in the market and serve over 11 million customers in more than 200 cities and counties. CCAs can provide the communities that they serve with competitively priced, clean energy choices while reinvesting revenues into projects and programs, supporting the local economy, such as offering complementary programs such as EV charging and battery storage.

##### **Problem:**

The California Energy Commission (CEC) has assessed California's electric vehicle charging infrastructure rollout and determined that the state will be almost 1 million chargers short of what will be required to support the state's 2035 EV adoption goals.

While CPUC authorizes IOUs to file applications to receive ratepayer funded transportation electrification program funding, CCAs are not explicitly authorized in existing law to access these funds, despite CCA customers also paying into these same funds. As a result, local leaders have little ability to tailor electric vehicle infrastructure and programs to serve residents and businesses, particularly in traditionally underrepresented areas.

##### **Solution:**

AB 1814 would explicitly authorize CCAs to file applications for programs and investments to accelerate widespread transportation electrification. In order to submit these applications, CCAs would be regulated to meet all of the same requirements that IOUs are currently required to meet.

In order to meet the state's EV adoption goals, CCAs must also be included in the solution. CCAs should be given the opportunity to apply for funding through CPUC for transportation electrification projects as a means of potentially addressing energy needs as identified by specific communities. By creating parity within IOUs and CCAs, the state may be able to meet our GHG emission reduction goals in the transportation sector.

##### **Support:**

California Community Choice Association  
(Sponsor)

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<sup>1</sup> <https://www.ca.gov/archive/gov39/2018/01/26/governor-brown-takes-action-to-increase-zero-emission-vehicles-fund-new-climate-investments/index.html>

<sup>2</sup> <https://www.ca.gov/archive/gov39/2012/03/23/news17472/index.html>

<sup>3</sup> <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/infrastructure/transportation-electrification>