



**AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, APRIL 7, 2022
8:45 A.M.**

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

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

CONSISTENT WITH THE PROVISIONS OF AB 361, MEMBERS OF THE BOARD OF DIRECTORS WILL PARTICIPATE IN THE APRIL 7, 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 or during the meeting via the webinar "raise your hand" feature. For detailed public comment instructions, [please visit this page](#).

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

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

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

CALL TO ORDER

BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve March 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. 9**
3. Approve and Delegate Authority to the CEO to Execute Second Amendment to Contract with Frontier Energy Inc for an Amount Not-to-Exceed \$204,970 through June 30, 2022, for the Administration of the On Bill Loan Program (Staff Recommendation: Approve) - **pg. 13**
4. Approve a Five (5) Year Extension of SCPA's Contract with Calpine Energy Solutions, LLC for Data Management, Billing, and Contact Center Services (Staff Recommendation: Approve) - **pg. 25**
5. Ratify Generation Rates Effective April 1, 2022, Consistent with Prior Board Direction (Staff Recommendation: Approve) - **pg. 29**
6. Receive GeoZone Update (Staff Recommendation: Receive and File) - **pg. 31**

BOARD OF DIRECTORS REGULAR CALENDAR

7. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File) - **pg. 33**
8. Receive Legislative and Regulatory Updates and Approve Positions on SB 884 (McGuire) and Others Bills as Appropriate (Staff Recommendation: Approve) - **pg. 57**
9. Approve the Proposed Budget Adjustments to the Fiscal Year 2021-2022 Budget (Staff Recommendation: Approve) - **pg. 67**
10. Integrated Resource Plan (IRP) Reintroduction and Provide Direction as Appropriate (Staff Recommendation: Receive and File) - **pg. 71**
11. Review Programs Strategic Action Plan and Provide Direction as Appropriate (Staff Recommendation: Receive and File) - **pg. 79**

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. NEM is a billing mechanism that credits solar energy system owners for the electricity they add to the grid.
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, MARCH 3, 2022
8:45 A.M.**

******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 MARCH 3, 2022, MEETING BY TELECONFERENCE.

CALL TO ORDER

(8:48 a.m. - Video Time Stamp: 03:45)

Prior to taking roll call attendance, Darin Bartow, Clerk of the Board for Sonoma Clean Power, administered the Oath of Office to Alternate Director Susan Adams.

Chair King called the meeting to order.

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

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Stephanie Reynolds, Director of Internal Operations; Neal Reardon, Director of Regulatory Affairs; Rebecca Simonson, Director of Planning & Analytics; and Joshua Nelson, Special Counsel.

BOARD OF DIRECTORS CONSENT CALENDAR

(8:49 a.m. - Video Time Stamp: 04:06)

1. Approve February 3, 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

Public Comment: None

Motion to Approve the March 3, 2022, Board of Directors Consent Calendar by Director Landman

Second: Director Hopkins

Motion passed by roll call vote

AYES: Bagby, Landman, Peters, King, Adams, Rogers, Slayter, Felder, Fudge, Gjerde, Hopkins

BOARD OF DIRECTORS REGULAR CALENDAR

(8:52 a.m. - Video Time Stamp: 06:52)

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

Stephanie Reynolds, Director of Internal Operations, reported that the Advanced Energy Center (AEC) has reopened to the public and the hours of operation are 10 a.m. to 6 p.m. Tuesday through Friday and 10 a.m. to 4 p.m. on Saturday. She discussed SCP's enrollment numbers. Director Reynolds continued by pointing out energy education programs done in concert with Sonoma Water and requested Mendocino County Directors reach out to educators in their territory to share the opportunity.

Geof Syphers, CEO discussed CC Power storage agreements. He pointed out a GeoZone article in the North Bay Business Journal on geothermal energy. He discussed the need to prepare to move from online meetings to a hybrid meeting model. CEO Syphers mentioned that PG&E rates increased March 1, 2022. He discussed an interest in recognizing the \$26 million in deferred revenues at the end of this fiscal year and also an upcoming mid-year budget adjustment.

Public Comment: None

4. Receive Legislative and Regulatory Updates and Approve Positions on AB1814 (Grayson) Transportation Electrification and Other Bills as Appropriate

(9:07 a.m. - Video Time Stamp: 22:38)

Neal Reardon, Director of Regulatory Affairs, stated the CPUC had indefinitely suspended the Proposed Decision on Net Energy Metering (NEM) and re-opened hearings. CEO Syphers informed the Board that SCP will need to use unbundled renewable energy credits to participate in CARB's low carbon fuel standard program, but clarified that SCP would continue to adhere to its policy to never use RECs to reduce reported power supply greenhouse gas emissions. Director Landman asked for an updated explanation of RECs.

CEO Syphers discussed 2 bills related to Integrated Resource Planning (IRP). He discussed concerns with the increased financial bond in SB-1287 (Bradford) and recommended the Board support AB 1814 (Grayson) as it would allow CCAs to apply for funding through the California Public Utilities Commission (CPUC).

Director Hopkins discussed bills that the Bay Area Air Quality Management District (BAAQMD) supports: AB 1944 (Lee) which allows for virtual meetings without the need to post a director's address and AB 2449 (Rubio) which would require an in-person quorum but allow hybrid meetings. She also discussed SB 852 (Dodd) which would allow for the formation of resiliency districts.

Directors Gjerde, Bagby, and Landman all expressed support for AB 1944.

Director Bagby discussed Senator McGuire's intent to divest from Russian investments and discussed SCP further transitioning from natural gas. She inquired how we can move forward on these issues. CEO Syphers said he would work with the Chair and Vice-Chair on next steps.

Public Comment: Sarah Booth inquired as to SCP's stance on Low Carbon Fuel Standards (LCFS) and customer fleets.

Patricia Morris also inquired about LCFS.

CEO Syphers mentioned that LCFS would be discussed at an upcoming meeting.

Motion to Approve Support for AB 1944 by Director Gjerde

Second: Director Hopkins

Motion passed by roll call vote

AYES: Bagby, Landman, Peters, King, Adams, Rogers, Slayter, Felder, Fudge, Gjerde, Hopkins

10:05 a.m. Public Comment was reopened: None

Motion to Approve Support for AB 1814 by Director Landman.

Second: Alternate Director Adams

Motion passed by roll call vote

AYES: Bagby, Landman, Peters, King, Adams, Rogers, Slayter, Felder, Fudge, Gjerde, Hopkins

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

(10:06 a.m. - Video Time Stamp: 01:20:56)

Director Slayter discussed Russia's war with Ukraine being an environmental disaster and the need for the Board to take action.

Director Felder introduced his new alternate as Sandra Lowe.

Director Gjerde inquired how to disinvest with Russia and stated that Mendocino County is trying to set up more vehicle charging station grants.

Chair King congratulated CEO Syphers on his appointment to Chair of California Community Power (CC Power) and he appreciates the Board's stand on Russia.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(10:13 a.m. - Video Time Stamp: 01:27:56)

Public Comment: None

ADJOURN

(10:13 a.m. - Video Time Stamp: 01:28:20)

The meeting was adjourned by unanimous consent.



Staff Report - Item 02

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: April 7, 2022

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



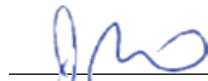
Chair, Sonoma Clean Power Authority

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: Chad Asay, Director of the Advanced Energy Center

Issue: Approve and Delegate Authority to the CEO to Execute Second Amendment to Contract with Frontier Energy Inc for an Amount Not-to-Exceed \$204,970 through June 30, 2022, for the Administration of the On Bill Loan Program

Date: April 7, 2022

Recommendation

Staff requests that the SCP Board of Directors ("Board") approve and delegate authority to the Chief Executive Officer ("CEO") to execute a second amendment to the contract with Frontier Energy Inc to add \$47,050 to the not-to-exceed amount over the term. It also includes additional customer and contractor services to SCP's 0% on-bill financing customer offering. These tasks cover assisting customer and contractor applications and closeout communications and documentation at the Advanced Energy Center ("AEC") outside of the loan program. It also includes additional SCP staff training to take over these needed services.

Background

SCP's initial contract with Frontier Energy Inc was approved by the Board on July 1, 2020, for consultant to provide program administration, which provides support services for Sonoma Clean Power (SCP) customers participating in the Sonoma Clean Power On-Bill Financing program. During operation of the financing program, Frontier Energy performs the following services on behalf of SCP: general program management, marketing support, contractor management, customer bid and agreement support, customer change order support, project completion support, general and ongoing customer support.

SCP entered into a First Amendment to the Agreement on July 1, 2021, to extend the term to June 30, 2022. No increase to the contract budget was made at that time because the work was billable to the California Energy Commission under SCP's Lead

Locally grant. Now, however, the Commission grant funds have been spent, and staff wish to continue this work at least through June 30, 2022.

Discussion

This is the second amendment to the Frontier Energy Inc. contract and would increase the not-to-exceed amount by forty seven thousand fifty dollars (\$47,050) to a new total of two hundred four thousand nine hundred seventy dollars (\$204,970). This increase is to add work to recruit contractors, develop program documentation, and administration to combine SCP incentives with the BayREN and TECH programs that are also eligible to SCP customers.

Fiscal Impact

The proposed amendment would increase SCP's costs by \$47,050, but would not require an increase to the total annual Program budget.

Community Advisory Committee Review

The Community Advisory Committee unanimously recommended approval to the Board at their March 17, 2022, meeting.

Attachments

- Second Amendment to the Professional Services Agreement for the Sonoma Clean Power Authority with Frontier Energy Inc to administer the 0% on-bill financing program

Related items on file with the Clerk of the Board:

- First Amendment to the Professional Services Agreement for the Sonoma Clean Power Authority with Frontier Energy Inc for the On-bill Finance Administrator Agreement.
- The Professional Services Agreement for the Sonoma Clean Power Authority with Frontier Energy Inc for the On-bill Finance Administrator Agreement.
 - Attachment A- Scope of Work
 - Attachment B- Fee Schedule

**SECOND AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE
SONOMA CLEAN POWER AUTHORITY AND FRONTIER ENERGY INC.**

This Second Amendment ("Second Amendment") to the Agreement for Professional Services (the "Agreement") is entered into between the Sonoma Clean Power Authority ("SCPA"), a California Joint Powers Authority, and Frontier Energy, Inc. ("Consultant") as of April 7, 2022 ("Second Amendment Effective Date"). SCPA and Consultant are, at times individually referred to herein as "Party" and collectively as "Parties".

WHEREAS, the Parties entered into the Agreement dated July 1, 2020 for Consultant to provide program administration, which provides support services for Sonoma Clean Power (SCP) Customers participating in the Sonoma Clean Power On-Bill Financing (OBF) program. During operation of the OBF program, the Administrator performs the following services on behalf of SCP: general program management, marketing support, contractor management, customer bid and agreement support, customer change order support, project completion support, general and ongoing customer support; and

WHEREAS, the Parties subsequently updated and revised the Agreement, entering into a First Amendment to the Agreement (the "First Amendment") dated July 1, 2021, in order to extend the term of the Agreement to June 30, 2022; and

WHEREAS, the Parties now desire to increase the not-to-exceed amount under the Agreement by Forty-Seven Thousand and Fifty Dollars (\$47,050), which increases the not-to-exceed amount under the Agreement from One Hundred Fifty Thousand Nine Hundred and Twenty Dollars (\$157,920) to Two Hundred and Four Thousand Nine Hundred and Seventy Dollars (\$204,970); and

WHEREAS, the Parties further desire to revise the scope of work to (a) reduce services related to marketing support, contractor support, general customer support, ongoing customer support, and (b) add services to train SCP staff on current Advanced Energy Center administrative responsibilities and ad hoc Salesforce support; and

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

NOW, THEREFORE, the Parties agree as follows:

1. Section 4 Not to Exceed Amount of the Agreement is hereby amended as follows:
"NOT TO EXCEED AMOUNT. IN NO EVENT SHALL THE AMOUNT PAYABLE FOR SERVICES PERFORMED DURING THE TERM OF THIS AGREEMENT EXCEED Two Hundred and Four Thousand Nine Hundred and Seventy Dollars (\$204,970)."
2. EXHIBIT A (Scope of Services) and EXHIBIT B (Fee Schedule) are hereby superseded and replaced by EXHIBIT A (Scope of Services) and EXHIBIT B (Fee Schedule) attached to this Second Amendment.
3. Except as set forth above, all terms and conditions of the Agreement remain in full force and effect. From the Second Amendment Effective Date, the "Agreement" shall mean the Agreement as amended by the First and Second Amendments.

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

SONOMA CLEAN POWER AUTHORITY

FRONTIER ENERGY INC.

BY: _____
Mike Koszalka
Chief Operating Officer

BY: _____

TITLE: _____

DATE: _____

DATE: _____

APPROVED AS TO FORM

BY: _____
Special Counsel

DATE: _____

**SECOND AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE
SONOMA CLEAN POWER AUTHORITY AND FRONTIER ENERGY INC.**

**EXHIBIT A
Scope of Services**

Program Administrator OBF Scope of Work

The **Program Administrator** (Administrator) is a third party, independent of the Customer and the Contractor, which provides support services for Sonoma Clean Power (SCP) Customers participating in the Sonoma Clean Power On-Bill Financing (OBF) program. The OBF program will be developed under the Sonoma Clean Power Lead Locally program. During operation of the OBF program, the Administrator shall perform the following services on behalf of SCP.

Task 1 General Program Management

Administrator shall coordinate with SCP to support general program management. This shall include twice-monthly reporting of program records as identified in the following tasks and once-monthly meetings with SCP staff and key program stakeholders as identified by SCP. In addition, Administrator shall maintain OBF program documentation and work with SCP to update any documentation and or agreements as necessary based on customer and contractor feedback or appropriate legal or regulatory findings or requirements. Administrator will also coordinate with SCP as necessary to adjust and refine program protocols and processes to help meet SCP's program and customer service goals.

Task 1 Budget: \$47,790

Task 1 Deliverables:

- Twice-monthly reporting of program records.
- Summary notes and action items from once monthly general program management meetings.

Task 2 Marketing Support

This task has been removed from the scope of services.

Task 3 OBF Contractor Management

Support for this task has been transitioned to SCP.

Task 3 Budget: \$22,170 for services provided to date

Task 4 Customer Bid and Agreement Support (Time and Materials)

SCP shall provide Administrator with the necessary information from approved Customer OBF Applications and other required SCP Incentive Applications.

For eligible Contractors and Improvements proposed in a Contractor's bid, Administrator shall finalize the OBF Participant Agreement, including populating Exhibit B of the Participant Agreement, based on the Customer's OBF Application, other required SCP Incentive Applications, and Contractor Bid.

Administrator shall send Customer Participant Agreement and notify Customer that they must return signed Agreement within 30 days.

If Customer does not submit a signed Agreement within 30 days, notify customer that the Agreement has been terminated. If Customer notifies Administrator in writing that the Customer remains interested in participating in OBF, Administrator shall work with SCP, at SCP's discretion, to provide Customer with a new Participant Agreement, subject to confirmation that the Customer continues to meet all of the program requirements.

Upon receipt of an Agreement signed by the Customer, Administrator shall provide Customer and Contractor with executed Agreement via email and notify Customer of the date by which they must have completed their project with an OBF Eligible Contractor to install the Improvements on the Property and have that Contractor provide a OBF Notice of Completion to the Administrator.

- a. If Notice of Completion has not been received in accordance with program timelines, send Close-out Reminders to Customer via email and phone at appropriate dates per program requirements agreed upon with SCP that they need to submit a Notice of Completion or their Agreement will be terminated.
- b. If Contractor does not submit a Notice of Completion within these established dates, notify Customer and Contractor that the Executed

Agreement has been terminated. If Customer notifies Administrator in writing that the Customer remains interested in participating in OBF, Administrator shall work with SCP, at SCP's discretion, to provide Customer with a new Participant Agreement, subject to confirmation that the Customer continues to meet all Program requirements.

Task 4 Budget: \$53,460

Task 4 Deliverables:

- OBF Agreements issued to Customers.
- Close-out Reminders to Customers whose Contractor has yet to submit a Notice of Completion per program requirements.
- Termination Notices to Customers whose Contractor has yet to submit a Notice of Completion in accordance with the Customers' OBF Agreement.
- OBF Agreements reissued to Customers if approved by SCP after Termination of original OBF Agreement.
- Records of OBF Applications Approved, Contractor Bids received, Contractor Bids with required corrections, OBF Agreements issued, OBF Agreements terminated, OBF Agreements reissued, and Notices of Completion received.

Task 5 Customer Change Order Support (Time and Materials)

For OBF projects with an Approved OBF Agreement, Administrator shall work with Customer to review requested changes to any Approved Improvements consistent with Program Terms. Customer is solely responsible for negotiating requested changes with Contractor.

- a. If Administrator approves the changes, Administrator shall provide Customer with a Modified Participant Agreement Exhibit B specifying the form is acting as a change order documenting the approved changes to the Improvements.
- b. Customer and Administrator must sign any Modified Exhibit B prior to Contractor's installation of the Improvements on the Property.

Task 5 Budget: \$5,500

Task 5 Deliverables:

- Change orders issued to Customers as a Modified Participant Agreement Exhibit B.
- Records of Modified Participant Agreement Exhibit B issued.

Task 6 Completion Support (Time and Materials)

Administrator shall review Contractor submitted OBF Notice of Completion and any final project close out documentation in accordance with Program requirements.

- a. For projects where installation or submitted documentation does not meet Program requirements, Administrator shall notify Customer and Contractor that they have 30 days to make required corrections.
 - i. Administrator shall review and or inspect corrections when notified by Customer.
 - ii. If Administrator is not notified within 30 days that corrections have been made, Administrator shall notify Customer and Contractor that the Participant Agreement has been terminated.
 - iii. If, after the Participant Agreement has been terminated, Customer notifies Administrator in writing that the corrections have been made and Customer remains interested in participating in OBF, Administrator shall work with SCP, at SCP's discretion, to provide Customer with a new Participant Agreement, subject to confirmation that the Customer continues to meet all Program requirements.
- b. For all projects with approved final project close out, Administrator shall notify SCP of the final Loan Amount, OBF Installment Payment, Repayment Term, and Contractor payment.

Task 6 Budget: \$33,310

Task 6 Deliverables:

- Correction Notices issued to Customers and Contractors for installations or submitted documentation that does not meet Program Requirements
- Termination Notices issued to Customers and Contractor if required corrections are not made within 30-days of Correction Notice.
- Final project closeout documentation and notice to SCP, including final Loan Amount, OBF Installment Payment, Repayment Term, and Contractor payment.
- Records of Correction Notices issued, OBF Agreements terminated after failure to address corrections, and final installed equipment, costs, Loan Amount, OBF Installment Payment, Repayment Term, and Contractor payment.

Task 7 General Customer Support (Time and Materials)

Administrator shall ensure staff are available to address Customer and Contractor questions and inquiries during normal business hours Monday-Friday and as such inquiries are forwarded by SCP.

If Customer conveys to Administrator any concerns, Administrator will notify SCP immediately for SCP to follow up with Customer. Administrator shall support SCP with engaging Customers for follow up surveys. At direction from SCP, Administrator will assist with survey development, distribution, receipt of responses, and compilation of responses for reporting to SCP.

At the direction of SCP, Administrator will ensure staff are available at a mutually agreed upon time for Improvement(s) eligibility assessment, OBF participant request, and any ad hoc OBF support for the SCP team during the term of this Agreement.

Task 7 Budget: \$17,100

Task 7 Deliverables:

- Records of OBF Customer and Contractor inquiries.
- Notice to SCP of Customer and Contractor inquiries prioritized for escalation by SCP.
- Support to resolve identified and reported problems per the Participant Agreement's Dispute language.
- Support of Participant satisfaction surveys.
- Records and escalation to SCP of disputes, Customer balance/payoff inquiries, and survey activity.

Task 8 Ongoing Customer Support (Time and Materials)

Support for this task has been transitioned to Task 7

Task 8 Budget: \$3,390 for services provided to date.

Task 9 AEC Rebate and Project Administration Responsibility Transfer

Administrator will prepare SCP team for the transition of non-OBF responsibilities to SCP administration. Together, SCP and the Administrator will develop a transfer plan to schedule the shifting of responsibilities in an order that supports an effective and efficient transfer. This includes identifying an order of priorities, the steps needed to shift specific responsibilities, and the level of support needed by SCP staff. This process will include the review and final development of all procedures and support documents as agreed upon between the Administrator and SCP. It will also entail process review as well as preparation for and leading training sessions with SCP staff, an explanation of the existing Salesforce-based data management system, the identification of interim shared and collaborative task administration, and clearly defined transition milestones and deadlines.

Task 9 Budget: \$15,000

Task 9 Deliverables

- With SCP input, Administrative Responsibility Transfer Plan
- Procedures and supporting documents for each activity
- 5 Training Sessions and 100 hours of coordinated support

Task 10 Ad Hoc Salesforce Support

SCP may modify or replace the existing Salesforce-based data management system. This may require the Administrator's expertise and support in order to successfully extract program data while maintaining unbroken processes and system management rules. Administrator will assist SCP in this process on an as needed basis.

Task 10 Budget: \$7,200

The Administrator will provide ad hoc support for the sooner of the completion of the modification/ replacement or contract end up to a not to exceed (NTE) hours limit of 8 hours per month pending SCP authorization for additional effort consistent with this task's overall budget.

EXHIBIT B
Fee Schedule

Budget

Task #	Task Name	Budget
Task 1	General Program Management	\$47,790
Task 2	Marketing Support	\$0
Task 3	OBFC Contractor Management	\$22,170
Task 4	Customer Bid and Agreement Support	\$53,460
Task 5	Customer Change Order Support	\$5,500
Task 6	Completion Support	\$33,310
Task 7	General Customer Support	\$17,100
Task 8	Ongoing Customer Support	\$3,390
Task 9	AEC Rebate and Project Administration Responsibility Transfer	\$15,000
Task 10	Ad Hoc Salesforce Support	\$7,200
	TOTAL	\$204,970

Fee Schedule

Title	2020	2021	2022
President	\$ 290	\$ 295	\$ 300
Vice President / Sr. Director	\$ 285	\$ 290	\$ 295
Director	\$ 265	\$ 270	\$ 275
Sr. Manager	\$ 235	\$ 240	\$ 245
Manager	\$ 209	\$ 213	\$ 218
Sr. Program Mgr	\$ 189	\$ 193	\$ 198
Program Mgr	\$ 159	\$ 162	\$ 165
Sr. Program Consultant / Sr. Analyst	\$ 145	\$ 148	\$ 150
Program Consultant / Analyst	\$ 126	\$ 128	\$ 130
Sr. Program Coordinator / Sr. Technician	\$ 106	\$ 108	\$ 110
Program Coordinator / Technician	\$ 91	\$ 93	\$ 95
Administrative	\$ 75	\$ 75	\$ 75

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Staff Report – Item 04

To: Sonoma Clean Power Authority Board of Directors

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

Issue: Approve a Five (5) Year Extension of SCPA’s Contract with Calpine Energy Solutions, LLC for Data Management, Billing, and Contact Center Services

Date: April 7, 2022

Recommended Action:

Approve a five (5) year Extension (as defined below) of SCPA’s contract with Calpine Energy Solutions, LLC for data management, billing, and contact center services.

Recent Background:

On September 16, 2021, the Community Advisory Committee, and the following month on October 7, 2021, the Board of Directors, voted unanimously to approve opening discussions with Calpine Energy Solutions, LLC for an extension of contracted services related to data management, billing, and contact center services.

Long-Term Background:

The Master Professional Services Agreement, Amendments, and Addendums were approved by SCPA’s Board of Directors.

- On November 14, 2013, Sonoma Clean Power executed a Master Professional Services Agreement and (First) Addendum with Noble Americas Energy Solutions, LLC (now Calpine Energy Solutions, LLC aka ‘Calpine’) for data management services.
- On September 1, 2016, SCP and Calpine extended their relationship through the (First) Amendment to its Master Professional Service Agreement reducing the price per account and extending the term to April 30, 2022.

- On April 1, 2017, SCP and Calpine updated the scope of work under the (First) Addendum by executing the Second Addendum to the Master Professional Service Agreement.

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

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

Discussion:

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

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

For these reasons and in consultation with SCP's Special Counsel, SCP did not issue a request for proposals, but rather negotiated the attached proposed Second Amendment and Third Addendum, including Appendix B, to the Master Professional Services Agreement (together "Extension") that would be effective May 1, 2022. The Extension with Calpine includes a price reduction, stronger service-level agreements for the contact center, and the option of bringing additional contact center services in-house. This will allow uninterrupted service to SCP customers during a period of considerable complexity including bill protection for residential customers transitioned to time-of-use rates, tracking the Arrearage Management Plan (AMP) enrollees for bill forgiveness, and verification of arrearages for the California

Arrearage Payment Program (CAPP) to provide financial assistance to SCP customers with pandemic past-due balances.

Calpine and SCP have agreed to terms on the Second Amendment to the Master Professional Services Agreement attached. The scope of work laid out in the Third Addendum to the Master Professional Services Agreement attached here, has also been agreed to.

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

Fiscal Impact:

Approval of the attached proposed Extension will lower SCP's costs for customer billing and data services. Since September 1, 2016, SCP has paid Calpine \$1.15 per account per month or approximately \$3.2 million annually. The proposed Extension will change the payment structure to a fixed monthly fee, plus a reduced per account fee. The fixed portion is \$25,000 per month plus a per account fee of \$0.85 or approximately \$2.67 million per year, a savings of \$536,000 annually.

The proposed Extension is structured to include a three-year fixed price with an option for SCP to terminate the contract for its own convenience effective April 30, 2025, by providing written notice before November 1, 2024, and paying a fee of \$250,560. If SCP does not terminate the contract, the cost of service shall escalate annually beginning on April 30th, 2024, by the Consumer Price Index West Region using May 2023 data as the baseline, but with an annual ceiling of 2.5% for the remaining two years.

In addition, the proposed Extension requires Calpine to rebate three percent (3%) of its annual SCP service fees to organizations in SCP's service territory for the purpose of promoting economic development, workforce development, local project development, grid resiliency, and other areas that support the mission of SCP and its communities. Based on the proposed contract, this would increase SCP's community giving power by \$80,000 annually.

Community Advisory Committee Review:

The Community Advisory Committee unanimously recommended approval to the Board of Directors at their March 17, 2022, meeting.

Attachments (listed oldest to newest):

Amendments are pricing and term related; Addendums are scope of work/services.

- Master Professional Services Agreement and (First) Addendum for Data Manager Services effective October 31, 2013, available at [this link](#) or by request to the Clerk of the Board.
- (First) Amendment to the Master Professional Services Agreement effective September 1, 2016, available at [this link](#) or by request to the Clerk of the Board.
- Second Addendum to the Master Professional Services Agreement effective April 1, 2017, available at [this link](#) or by request to the Clerk of the Board.
- PROPOSED Second Amendment to the Master Professional Services Agreement that would be effective May 1, 2022, available at [this link](#) or by request to the Clerk of the Board.
- PROPOSED Third Addendum to the Master Professional Services Agreement that would be effective May 1, 2022, available at [this link](#) or by request to the Clerk of the Board.



Staff Report - Item 05

To: Sonoma Clean Power Authority Board of Directors

From: Geof Syphers, CEO
Mike Koszalka, COO
Rebecca Simonson, Director of Programs
Neal Reardon, Director of Regulatory Affairs
Erica Torgerson, Director of Customer Service

Issue: Ratify Generation Rates Effective April 1, 2022, Consistent with Prior Board Direction

Date: April 7, 2022

Recommended Action

Staff is notifying the Board of Directors of a generation rate change shown in Addendum 1 that was implemented April 1, 2022. This rate adjustment falls under the Board of Directors' conditional rate adjustment approval approved on February 3, 2022. Rates are now set so that total customer bills are equal to PG&E bundled rates effective April 1, 2022.

Staff request the Board ratify these rates.

Background

The Sonoma Clean Power Board of Directors voted on February 3, 2022, in favor of new customer rates to be implemented as soon as practical following PG&E's expected changes to PCIA and rates, using the following parameters:

1. Recovers all forecast expenses in the current fiscal year ending June 30, 2022.
2. All rate classes are reset so SCP customer total bills have an equal percentage difference from bundled service total bills.

3. Sets rates to the lowest values which achieve both of the above criteria so long total bills are between equal and 3% above bundled service bills.
4. Requires that staff return to the Board following rate implementation to have the final rate tables ratified.

Discussion

PG&E updated their generation and delivery rates and the PCIA on March 1, 2022. The SCP rates effective April 1, 2022, shown in Addendum 1 are set such that the customer total bills are equal to PG&E bundled service.

A budget adjustment reflecting these rates with adjusted fiscal year revenue is included later in this Board packet.

Community Advisory Committee Review

The Community Advisory Committee recommended that the Board ratify these rates by a unanimous vote to approve items on the consent calendar.

Attachments

- Addendum to April 1, 2022, Rate Adjustment, available at [this link](#) or by request to the Clerk of the Board



Staff Report - Item 06

To: Sonoma Clean Power Authority Board of Directors

**From: Ryan Tracey, Director of Planning & Analytics
Geof Syphers, Chief Executive Officer**

Issue: Receive GeoZone Update

Date: April 7, 2022

Last October, the SCP Board of Directors passed a resolution creating a Geothermal Opportunity Zone (GeoZone) and inviting Sonoma County, Mendocino County, and Lake County to join SCP in exploring expansion of local geothermal power capacity.

Following the passage of SCP's resolution forming the GeoZone, both Mendocino County and Sonoma County passed resolutions formally joining the initiative. The Lake County Board of Supervisors decided to not join at this time.

The GeoZone is seeking to sustain the existing local geothermal production and add 500 MW of new geothermal capacity, focusing on low-water and low-impact technologies. SCP is working to form public-private partnerships with geothermal companies as providers of technology, experience, and capital. Through these partnerships and by serving as a buyer of geothermal energy and capacity, SCP is seeking to lower the costs and risks of developing geothermal energy.

SCP staff held an initial planning meeting with public partners in the GeoZone initiative on March 9, 2022. Attendees included representatives of Sonoma County, Mendocino County, Permit Sonoma, the North Sonoma County Air Pollution Control District, and the municipal utilities of Ukiah and Healdsburg. SCP staff presented the motivation and objectives of the GeoZone and new enabling geothermal technologies. Discussion followed on organizational alignment and important considerations in progressing the GeoZone initiative including air emissions, permitting, water usage, and funding opportunities. The group will reconvene in two months to continue collaboration on the GeoZone.

SCP released a solicitation seeking private development partners on March 14, 2022. The solicitation is posted along with other background information on a new dedicated webpage for the GeoZone at <https://sonomacleanpower.org/geozone>. Responses to the solicitation are due April 29, 2022. Staff is currently expecting to select private development partners by June 2022.

Given the high level of activity in the GeoZone initiative, updates to the project will be regularly included in meetings of the Community Advisory Committee and Board of Directors.

Attachments:

None



Staff Report - Item 07

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: April 7, 2022

PROGRAMS UPDATES

Department of Energy (DOE) Research Fellow

Eric Scheier has been appointed to Sonoma Clean Power as part of the DOE Solar Energy Innovators Program. Eric will be conducting applied research regarding innovative distributed energy resource (DER) solutions in SCP territory, with emphasis on communities adversely affected by persistent poverty and/or inequality. This program is administered by the DOE's Oak Ridge Institute for Science and Education (ORISE). As part of this appointment, Eric will be with SCP for an initial appointment of one year, with an option for a one-year extension. Eric will be provided a stipend from the DOE and will not be a designated employee of SCP (though we will treat him as one!).

Eric recently obtained a Master of Science at the University of North Carolina in Chapel Hill where his thesis was 'A measurement strategy to address disparities across household energy burdens'. He has also held intern, consultant, and analyst positions, as well as founded a strategic advisory and data consultancy for clean tech ventures and co-founded a non-profit cooperative investing platform that provides community solar to customers at a fixed monthly bill payment.

GridSavvy update

In the coming months, the GridSavvy program will be getting a makeover. In order to reduce customer energy costs and encourage customers to reduce energy during times of grid stress, Staff is introducing a behavioral component to GridSavvy. This

option requires no technology or devices and customers can receive rewards based on their actual energy savings during specified times.

ADVANCED ENERGY CENTER

The Advanced Energy Center is again open and our team is assisting the public on how to combat the climate crisis and lower greenhouse gas emissions in their homes. We now showcase simple solutions in a living room setting of how to live an all-electric lifestyle and electrification at home.

Staff are noticing an increase in reservations to onsite events. This month we will be educating on a new residential battery by Electriq Power, hosting the Young Professionals Network, and the American Institute of Architects. These in-person events and classes are already showing increased interest as we have multiple events with over 50+ reservations per event. Come visit the Center soon to see all our new displays.

Energy education in schools

SCP continues to collaborate with Sonoma Water to deliver energy education to Sonoma and Mendocino schools.

In an effort to increase participation in Mendocino County, Sonoma Water recently sent out a newsletter to Mendocino County educators to provide information on the multiple opportunities available to teachers and students at no cost. A copy of the newsletter is attached to this report and can be found at:

<https://myemail.constantcontact.com/FREE-classroom-presentations-and-school-supplies.html?soid=1133047766577&aid=j1UbdOCRLeU>

For more information on the program, please visit www.sonomawater.org/education.

Elementary School

In February 2022, 19 classes received presentations, totaling 455 students. Presentation topics cover climate change, greenhouse gas emissions, and water and energy conservation. Presentations were delivered at the following schools:

- Binkley Elementary (Santa Rosa)
- Cali Calmecac (Windsor)
- Evergreen Elementary (Rohnert Park)
- Geyserville Elementary (Geyserville)
- Gravenstein Elementary (Sebastopol)
- Manzanita Elementary (Santa Rosa)
- Prestwood Elementary (Sonoma)

- San Miguel Elementary (Santa Rosa)
- Whited Elementary (Santa Rosa)

At Dana Gray Elementary (Fort Bragg) 14 classes, totaling 411 students, attended a ZunZun Musical Assembly that taught renewable energy and conservation.

High School

SCP and Sonoma Water continue to develop new high school lessons on climate change and designing field trips to the Advanced Energy Center. Those fieldtrips will begin this month as well as The Advanced Energy Center will host the Student Showcase event scheduled for May 26th.

MONTHLY COMPILED FINANCIAL STATEMENTS

The year-to-date change in net position is slightly lower 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 1%. Year-to-date electricity sales reached \$118,561,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$96,117,000. In addition to Net Position, SCP maintains an Operating Account Fund of \$26,000,000 at the end of the period. Approximately \$72,518,000 is set aside for reserves (Operating Reserve: \$59,394,000; Program Reserve: \$10,878,000; and Collateral Reserve: \$2,246,000).

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

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.

The cost of electricity is more than the budget-to-date by approximately 1%. Variation in this account is typically due to fluctuating market cost of energy on open position purchases.

The cost of electricity is less than the budget-to-date by approximately 0.5%. 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.

ATTACHMENTS

- Water and Energy Education Newsletter
- January and February 2022 Financials

UPCOMING MEETINGS

- Community Advisory Committee - April 21, 2022
- Board of Directors - May 5, 2022
- Community Advisory Committee - May 19, 2022
- Board of Directors - June 2, 2022

[Join Our Email List](#)

Water and Energy Education Newsletter

Mendocino County Edition

Hello Mendocino County Teachers,

Our education program at Sonoma Water invites you to participate in several FREE education programs available to K-12 teachers in Mendocino County. For the last several years, we have partnered with [Sonoma Clean Power](#) to bring the topics of energy, climate change, and energy conservation into classrooms beyond the Russian River watershed to include all of Mendocino County. We offer guest speakers, a musical assembly, free school supplies (including the map you see to the right), and more. Lessons can be presented either in-person or virtually. Read on to learn how we support teachers and their students in learning about the fundamentals of our water and energy systems.

Best wishes and we hope to see you in 2022,

The Water and Energy Education Team at Sonoma Water
www.sonomawater.org/education



Stewardship grants for students and teachers

Stewardship grants for students and teachers

Up to \$1,000 per project

In our first year offering this program, we put out a call to action and teachers responded!



We have mailed checks to support 7 classroom projects that include water catchment systems, worm composting, school waste reduction campaigns, water-filling stations, and school gardens.

Funds remain for a few more project applications, we can't wait to see what you and your students come up with.

Second round of applications due January 26, 2022

Available to all schools in Mendocino County

[Apply Today](#)

Grades TK-6

ZunZun Musical Assembly

Virtual or in-person

This musical duo raises awareness of the importance of conserving and protecting our environment through music, humor, and movement. Don't be surprised to see your students up and dancing as they learn the many ways to make a positive difference.



Available to all schools in Mendocino County

[Contact ZunZun](#)

Sign up for one of our free classroom lessons

An educator will come to your in-person or virtual classroom. Learn more about each lesson by exploring the links below.

Grade 4

Where Does our Electricity Come From?

Virtual or in-person

During a one-hour lesson, students take a deep dive into solar power and explore questions about it's pros and cons while experimenting with solar panels and small fans. A 5-part asynchronous lesson series provides background information about the connections between electricity and climate change.



Available to all schools in Mendocino County

Grades 6-8***Electricity and Climate Change***

Virtual or in-person

During this lesson, students are introduced to climate change and explore renewable energy as one promising solution. Students work in teams on a STEM challenge to design and create blades capable of spinning a small wind turbine.

**Available to all schools in Mendocino County**

Visit the 6-8 Grade Webpage

Grades 6-12***Drought Education***

Virtual or in-person

Drought awareness is interwoven throughout all of our programs as our region continues to experience the effects of drought. Rainfall and reservoir storage levels remain at or below average. It is critical that we work together to protect and conserve our water resources, there's never enough to waste.



Middle and high school teachers can register for a new lesson dedicated to the fundamentals of drought. Students are asked to think critically about the effects of drought on the natural environment, their personal water use, and the best ways to conserve water.

Learning objectives:

- To become aware of current local drought conditions
- To explore environmental impacts of drought using models, pictures, and hands-on examples
- To feel empowered to conserve water and design solutions to help limit the impacts of drought

**Available to schools located in:**

Ukiah, Calpella, Mendocino, Potter Valley, and Redwood Valley

Middle School Teachers

Grades 9-12

Climate Change in the North Bay

In this hands-on, one-hour presentation, students learn about the local impacts of climate change and how Sonoma Clean Power is helping California reach its carbon neutral goals. Students explore different ways to take climate action.



Available to all schools in Mendocino County

[Register](#)

Order a classroom set of FREE school supplies delivered to your classroom



Available to all schools in Mendocino County except Ukiah

[Order Supplies](#)

Interested in learning more about our FREE programs? Visit our website for more details or email us at: WaterEd@scwa.ca.gov

[Learn More](#)



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 January 31, 2022, 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
March 2, 2022

**SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Seven Months Ended January 31, 2022**

	2021/22 YTD Budget	2021/22 YTD Actual	2021/22 YTD Budget Variance (Under) Over	2021/22 YTD Actual / Budget %	2021/22 Budget Remaining
REVENUE AND OTHER SOURCES:					
Electricity (net of allowance) *	\$ 102,558,073	\$ 103,255,582	\$ 697,509	101%	\$ 76,021,418
Evergreen Premium (net of allowance)	1,186,659	1,322,312	135,653	111%	2,074,000
Inflow from Operating Account Fund Reserves	-	-	-	0%	1,353,000
CEC Grant	1,204,583	861,728	(342,855)	72%	2,065,000
BAAQMD grant	29,167	71,250	42,083	244%	50,000
Interest income	490,000	193,307	(296,693)	39%	840,000
Total revenue and other sources	105,468,482	105,704,179	235,697	100%	185,659,000
EXPENDITURES AND OTHER USES:					
CURRENT EXPENDITURES					
Cost of energy and scheduling	97,978,208	97,609,851	(368,357)	100%	159,436,000
Data management	1,865,303	1,863,504	(1,799)	100%	3,198,000
Service fees- PG&E	567,397	566,045	(1,352)	100%	973,000
Personnel	3,616,667	3,061,165	(555,502)	85%	6,200,000
Outreach and communications	787,500	500,578	(286,922)	64%	1,350,000
Customer service	211,750	229,548	17,798	108%	363,000
General and administration	665,000	713,063	48,063	107%	1,140,000
Legal	239,167	208,438	(30,729)	87%	410,000
Regulatory and compliance	250,833	125,980	(124,853)	50%	430,000
Accounting	147,917	147,820	(97)	100%	245,000
Legislative	70,000	8,000	(62,000)	11%	120,000
Other consultants	131,250	162,281	31,031	124%	225,000
Industry memberships and dues	312,667	331,057	18,390	106%	536,000
Program implementation	3,290,000	1,459,379	(1,830,621)	44%	5,640,000
Program - CEC grant	2,333,333	825,355	(1,507,978)	35%	4,000,000
Total current expenditures	112,466,992	107,812,064	(4,654,928)	96%	184,266,000
OTHER USES					
Capital outlay	812,583	818,656	6,073	101%	1,393,000
Total Expenditures, Other Uses and Debt Service	113,279,575	108,630,720	(4,648,855)	96%	185,659,000
Net increase (decrease) in available fund balance	\$ (7,811,093)	\$ (2,926,541)	\$ 4,884,552		\$ -

* Represents sales of approximately 1,363,000 MWh for 2021/22 YTD actual.

	Current Balance	% of Long-Term Term Target	Long-Term Target Balance
RESERVES			
Operating Cash Reserve	\$ 59,376,000	64%	\$ 92,133,000
Program Cash Reserve	10,875,000	59%	18,426,600
Collateral Cash Reserve	2,244,000	14%	15,943,600
	\$ 72,495,000	57%	\$ 126,503,200

SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
Seven Months Ended January 31, 2022

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ (2,926,541)
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(796,884)
Add back capital asset acquisitions	840,555
Add back certain program expenses recognized for budget purposes only	(200,000)
Change in net position	<u><u>\$ (3,082,870)</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 January 31, 2022, 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
March 2, 2022

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of January 31, 2022

ASSETS

Current assets

Cash and cash equivalents	\$ 50,115,913
Accounts receivable, net of allowance	19,222,156
Other receivables	1,585,162
Accrued revenue	8,185,108
Prepaid expenses	995,171
Deposits	5,119,205
Total current assets	85,222,715

Noncurrent assets

Unrestricted cash in Rate Stabilization Fund	26,000,000
Land	860,520
Capital assets, net of depreciation	19,078,776
Deposits	5,160,922
Total noncurrent assets	51,100,218
Total assets	136,322,933

LIABILITIES

Current liabilities

Accrued cost of electricity	10,653,448
Accounts payable	1,543,280
Other accrued liabilities	1,063,954
User taxes and energy surcharges due to other governments	456,909
Total current liabilities	13,717,591

DEFERRED INFLOWS OF RESOURCES

Rate Stabilization Fund	26,000,000
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NET POSITION

Investment in capital assets	19,939,296
Unrestricted	76,666,046
Total net position	\$ 96,605,342

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Seven Months Ended January 31, 2022

OPERATING REVENUES

Electricity sales, net	\$ 103,255,582
Evergreen electricity premium	1,322,311
Grant revenue	932,978
Total operating revenues	<u>105,510,871</u>

OPERATING EXPENSES

Cost of electricity	97,609,852
Contract services	5,573,270
Staff compensation	3,061,164
General and administration	1,126,581
Program rebates and incentives	619,298
Depreciation	796,884
Total operating expenses	<u>108,787,049</u>
Operating income (loss)	<u>(3,276,178)</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	193,307
Nonoperating revenues (expenses), net	<u>193,307</u>

CHANGE IN NET POSITION

	(3,082,871)
Net position at beginning of period	<u>99,688,213</u>
Net position at end of period	<u>\$ 96,605,342</u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS Seven Months Ended January 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 106,339,035
Other operating receipts	4,783,470
Payments to electricity suppliers	(104,985,421)
Payments for other goods and services	(6,566,644)
Payments for staff compensation	(3,117,952)
Tax and surcharge payments to other governments	(1,477,891)
Payments for program rebates and incentives	(774,510)
Net cash provided (used) by operating activities	<u>(5,799,913)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(3,405,959)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>225,421</u>
Net cash provided (used) by investing activities	<u>225,421</u>

Net change in cash and cash equivalents	(8,980,451)
Cash and cash equivalents at beginning of year	<u>85,096,364</u>
Cash and cash equivalents at end of period	<u><u>\$ 76,115,913</u></u>

Reconciliation to the Statement of Net Position

Unrestricted cash and cash equivalents (current)	\$ 50,115,913
Unrestricted cash and cash equivalents (noncurrent)	<u>26,000,000</u>
Cash and cash equivalents	<u><u>\$ 76,115,913</u></u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF CASH FLOWS (continued)
Seven Months Ended January 31, 2022

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

Operating income (loss)	\$ (3,276,178)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	796,884
Revenue adjusted for provision for uncollectible accounts	2,134,302
(Increase) decrease in:	
Accounts receivable	(2,581,326)
Other receivables	(74,318)
Accrued revenue	793,496
Prepaid expenses	115,171
Deposits	(326,289)
Increase (decrease) in:	
Accrued cost of electricity	(2,141,656)
Accounts payable	92,115
Accrued liabilities	(1,435,695)
User taxes due to other governments	(63,219)
Supplier security deposits	166,800
Net cash provided (used) by operating activities	<u><u>\$ (5,799,913)</u></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 February 28, 2022, 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
March 28, 2022

SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Eight Months Ended February 28, 2022

	2021/22 YTD Budget	2021/22 YTD Actual	2021/22 YTD Budget Variance (Under) Over	2021/22 YTD Actual / Budget %	2021/22 Budget Remaining
REVENUE AND OTHER SOURCES:					
Electricity (net of allowance) *	\$ 117,390,052	\$ 117,026,040	\$ (364,012)	100%	\$ 62,250,960
Evergreen Premium (net of allowance)	1,360,840	1,534,940	174,100	113%	539,060
Inflow from Operating Account Fund Reserves	-	-	-	0%	1,353,000
CEC Grant	1,376,667	945,224	(431,443)	69%	1,119,776
BAAQMD grant	33,333	71,250	37,917	214%	(21,250)
Interest income	560,000	216,481	(343,519)	39%	623,519
Total revenue and other sources	120,720,892	119,793,935	(926,957)	99%	65,865,065
EXPENDITURES AND OTHER USES:					
CURRENT EXPENDITURES					
Cost of energy and scheduling	109,246,496	110,589,778	1,343,282	101%	48,846,222
Data management	2,131,837	2,130,490	(1,347)	100%	1,067,510
Service fees- PG&E	648,516	646,671	(1,845)	100%	326,329
Personnel	4,133,333	3,589,189	(544,144)	87%	2,610,811
Outreach and communications	900,000	544,860	(355,140)	61%	805,140
Customer service	242,000	258,384	16,384	107%	104,616
General and administration	760,000	877,574	117,574	115%	262,426
Legal	273,333	218,235	(55,098)	80%	191,765
Regulatory and compliance	286,667	136,097	(150,570)	47%	293,903
Accounting	168,333	163,320	(5,013)	97%	81,680
Legislative	80,000	16,000	(64,000)	20%	104,000
Other consultants	150,000	173,737	23,737	116%	51,263
Industry memberships and dues	357,333	358,406	1,073	100%	177,594
Program implementation	3,760,000	1,662,438	(2,097,562)	44%	3,977,562
Program - CEC grant	2,666,667	909,597	(1,757,070)	34%	3,090,403
Total current expenditures	125,804,515	122,274,776	(3,529,739)	97%	61,991,224
OTHER USES					
Capital outlay	928,667	825,873	(102,794)	89%	567,127
Total Expenditures, Other Uses and Debt Service	126,733,182	123,100,649	(3,632,533)	97%	62,558,351
Net increase (decrease) in available fund balance	\$ (6,012,290)	\$ (3,306,714)	\$ 2,705,576		\$ 3,306,714

* Represents sales of approximately 1,550,000 MWh for 2021/22 YTD actual.

	Current Balance	% of Long-Term Term Target	Long-Term Target Balance
RESERVES			
Operating Cash Reserve	\$ 59,394,000	64%	\$ 92,133,000
Program Cash Reserve	10,878,000	59%	18,426,600
Collateral Cash Reserve	2,246,000	14%	15,943,600
	\$ 72,518,000	57%	\$ 126,503,200

SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
Eight Months Ended February 28, 2022

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ (3,306,714)
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(911,935)
Add back capital asset acquisitions	847,772
Add back certain program expenses recognized for budget purposes only	(200,000)
Change in net position	<u>\$ (3,570,877)</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 February 28, 2022, 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
March 28, 2022

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of February 28, 2022

ASSETS

Current assets

Cash and cash equivalents	\$ 54,989,475
Accounts receivable, net of allowance	17,543,992
Other receivables	1,724,760
Accrued revenue	7,630,239
Prepaid expenses	920,790
Deposits	5,119,205
Total current assets	87,928,461

Noncurrent assets

Unrestricted cash in Rate Stabilization Fund	26,000,000
Land	860,520
Capital assets, net of depreciation	18,970,942
Deposits	2,160,922
Total noncurrent assets	47,992,384
Total assets	135,920,845

LIABILITIES

Current liabilities

Accrued cost of electricity	11,074,354
Accounts payable	1,071,904
Other accrued liabilities	1,144,785
User taxes and energy surcharges due to other governments	512,466
Total current liabilities	13,803,509

DEFERRED INFLOWS OF RESOURCES

Rate Stabilization Fund	26,000,000
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NET POSITION

Investment in capital assets	19,831,462
Unrestricted	76,285,874
Total net position	\$ 96,117,336

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Eight Months Ended February 28, 2022

OPERATING REVENUES

Electricity sales, net	\$ 117,026,040
Evergreen electricity premium	1,534,940
Grant revenue	1,016,474
Total operating revenues	<u>119,577,454</u>

OPERATING EXPENSES

Cost of electricity	110,589,778
Contract services	6,318,272
Staff compensation	3,589,189
General and administration	1,327,441
Program rebates and incentives	628,198
Depreciation	911,934
Total operating expenses	<u>123,364,812</u>
Operating income (loss)	<u>(3,787,358)</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	216,481
Nonoperating revenues (expenses), net	<u>216,481</u>

CHANGE IN NET POSITION

	(3,570,877)
Net position at beginning of period	<u>99,688,213</u>
Net position at end of period	<u>\$ 96,117,336</u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS Eight Months Ended February 28, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 122,734,221
Other operating receipts	7,794,030
Payments to electricity suppliers	(117,314,666)
Payments for other goods and services	(7,878,819)
Payments for staff compensation	(3,622,971)
Tax and surcharge payments to other governments	(1,601,399)
Payments for program rebates and incentives	(1,040,649)
Net cash provided (used) by operating activities	<u>(930,253)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(3,410,228)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>233,595</u>
Net cash provided (used) by investing activities	<u>233,595</u>

Net change in cash and cash equivalents	(4,106,886)
Cash and cash equivalents at beginning of year	<u>85,096,364</u>
Cash and cash equivalents at end of period	<u><u>\$ 80,989,478</u></u>

Reconciliation to the Statement of Net Position

Unrestricted cash and cash equivalents (current)	\$ 54,989,475
Unrestricted cash and cash equivalents (noncurrent)	<u>26,000,000</u>
Cash and cash equivalents	<u><u>\$ 80,989,475</u></u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF CASH FLOWS (continued)
Eight Months Ended February 28, 2022

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

Operating income (loss)	\$ (3,787,358)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	911,934
Provision for uncollectible accounts	(1,004,337)
(Increase) decrease in:	
Accounts receivable	2,235,476
Other receivables	(198,915)
Accrued revenue	1,348,365
Prepaid expenses	189,552
Deposits	2,673,711
Increase (decrease) in:	
Accrued cost of electricity	(1,576,874)
Accounts payable	(382,207)
Accrued liabilities	(1,498,739)
User taxes due to other governments	(7,662)
Supplier security deposits	166,800
Net cash provided (used) by operating activities	<u><u>\$ (930,254)</u></u>



Staff Report - Item 08

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 SB 884 (McGuire) and Others Bills as Appropriate

Date: April 7, 2022

Requested Action:

Receive legislative and regulatory updates and approve positions on SB 884 (McGuire) and other bills as appropriate.

Regulatory Updates:

Resource Adequacy Modifications Adopted by CPUC

Following the energy crisis of 2000-2001 and PG&E's first bankruptcy, the legislature created a new framework to ensure that all load serving entities have adequate resources to maintain a reliable grid. The ensuing Resource Adequacy ("RA") program was adopted by the CPUC in 2005. It has been modified many times since inception. However, the central goal remains unchanged. RA is effectively an insurance product that all entities serving retail electric load must purchase. It is usually structured as a bilateral agreement between a generator and an electricity provider. In exchange for a payment, the generator commits to being able to produce energy if needed to maintain electric reliability. Like insurance, the payment is made regardless of whether the specific resource runs or not. There are three different types of RA products: system resources (located anywhere on the grid), local resources (located in specific areas with limited transmission and distribution), and flexible resources (those able to follow demand as needed).

In 2020, perceived problems in the RA program led to the CPUC decreeing that

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utilities should serve as the “central buyer” and purchase local RA on behalf of all load serving entities - including CCAs. In 2021, the first year this new structure was implemented, utilities' fell short of buying the required amount of local RA. PG&E only purchased 53% of what the CPUC required them to do. This created uncertainty for CCAs and the overall market.

On March 17th, 2022, the CPUC issued amendments to the central buyer structure that will increase transparency of the procurement process and better facilitate the ability of entities like CCAs to sell their local RA to this central buyer. CalCCA, the statewide trade association of CCAs, led the strategy and advocacy in this multi-year proceeding. They issued a positive press release following these modifications which is available below:

<https://mailchi.mp/cal-cca.org/news-release-calcca-welcomes-modifications-to-central-buyer-structure?e=2041f8e575>

Provider of Last Resort and Financial Security Requirements - March 7 workshop

The CPUC held a workshop to discuss the financial capability of the IOUs when serving as Provider of Last Resort (POLR) absorbing a large number of CCA customers in the case that a CCA fails. The CPUC is not interested in addressing situations where an IOU fails because there is clear evidence that the Governor and legislature will continue to bail out failed IOUs, a benefit that CCAs do not enjoy.

The CPUC expressed a desire to raise the minimum CCA bond from \$147,000 to \$500,000, but the more material discussion was around how to address extreme conditions where returning customers come back to an IOU during extremely high market prices, potentially causing the IOU to go out and buy resources at an inopportune time. Most of the arguments during this phase of the process are around how to prepare for the possible failure of a CCA in a manner that doesn't unnecessarily block the formation of CCAs or introduce unreasonable new market risks. There are also a number of arguments over the details of calculating the hypothetical above-market costs an IOU could be exposed to in such a situation. Staff will update the Committee and Board on this matter as the proceeding unfolds.

Legislative Positions:

Bill	Author	Summary	Position
AB 1814 Transportation electrification: community choice aggregators	Grayson	Accelerates local and regional transportation electrification by allowing CCAs to apply for CPUC funding for electric vehicle infrastructure. Sponsor is CalCCA.	Support
AB 1944 Local government: open and public meetings	Lee	Facilitates the continued use of teleconference meetings for local governments, including SCP.	Support
AB 2061 Transportation electrification: electric vehicle charging infrastructure	Ting	Requires data collection of EV chargers to monitor reliability.	Watch
AB 2316 Community Renewable Energy Program	Ward	Creates the Community Renewable Energy Program to provide a pathway for solar for those communities that have not benefited from current rooftop solar initiatives. Major changes to this bill are expected over the coming weeks.	Watch
AB 2399 Electrical services: provider of last resort	Mayes	Removes the cap on direct access for for-profit energy service providers in situations where an IOU chooses to stop being the Provider of Last Resort. Sponsored by SDG&E, presumably because the IOU wishes to find a way to create a direct access company to serve the most profitable electric customers and get out of serving residential customers. The bill would cause a large cost shift onto residential and small business customers if it were to pass, but is unlikely to go anywhere in its current form.	Watch
AB 2696 Electricity: renewable energy and zero-carbon resources: transmission planning	E. Garcia	Would require the CEC to study how to lower the cost of new transmission needed for new renewable energy systems. However, would also remove the requirement for reviewing the necessity and cost for new transmission projects.	Watch

Bill	Author	Summary	Position
AB 2703 Zero-emission fueling station reliability standards	Muratsuchi	Studies the reliability of ZEV refueling stations.	Watch
AB 2838 Electrical corporations: green tariff shared renewables program	O'Donnell	Allows an IOU to terminate a green tariff program and to spread the costs to all ratepayers in their service territory.	Watch
AB 2937 Electrical corporations: wildfire mitigation and climate adaptation expenditures	Calderon	Allows IOUs to securitize costs for wildfire and climate adaptation investments and spread those costs across all customers over longer time periods. It is unusual to defer charging ratepayers for operations and maintenance, and staff are exploring the potential consequences for ratepayers.	Watch
SB 833 Community Energy Resilience Act	Dodd	Creates grants for regional resiliency planning, including for PSPS events. Prioritizes low-income, disadvantaged and PSPS-affected communities.	Support Action by Chair and Vice Chair
SB 839 Electricity: demand response	Dodd	Demand response bill that allows all customers (including CCA customers) to participate in an IOU load management program. Possible concern is that it could prevent CCAs from managing their own load and forecasting accurately, which in turn would increase ratepayer costs.	Reviewing
SB 881 Load-serving entities: integrated resource plans	Min	Creates a new compliance category for GHG reductions that is tied to IRPs. Strong concerns that the bill is vague, removes procurement autonomy for CCAs, and adds unnecessary ratepayer costs. CalCCA has proposed alternate language.	Oppose Unless Amended Action by Chair and Vice Chair
SB 884 Electricity: expedited utility distribution and transmission infrastructure undergrounding program	McGuire	Would require accelerated distribution line undergrounding plans, defer IOU profits from that work until 5 years have passed with no PSPS events or utility fires, and require cooperation from telecom companies using the affected power poles.	Recommend Support

Bill	Author	Summary	Position
SB 887 Electricity: transmission facility planning	Becker	Orders the CPUC to identify the critical new transmission systems needed to rapidly expand renewable energy in the CAISO system through 2035. Includes requirements to study wildfire impacts.	Watch
SB 1112 Energy suppliers: notice and recording of a decarbonization charge.	Becker	Supports on-bill financing for building decarbonization investments through creating a deed notification requirement.	Support Action by Chair and Vice Chair
SB 1158 Retail electricity suppliers: greenhouse gas emissions: integrated resource plans	Becker	Would change reporting requirements for GHG emissions to a 24/7 structure, but also prevent CCAs from receiving credit for improving system reliability and lowering total California GHG emissions.	Negotiating with Author - Engaged with CalCCA to try to amend the bill so as not to slow down or harm CCA climate work
SB 1174 Electricity: resource adequacy requirements: eligible renewable energy or energy storage resources: transmission and interconnection	Hertzberg	Currently, the bill would provide waivers for situations where interconnection delays cause deficiencies in resource adequacy compliance. However, SDG&E asked the Chair of the policy committee to remove the RA waiver, which would make the bill fairly meaningless. Sponsor is American Clean Power Association.	Watch
SB 1226 Joint powers agreements: zero- emission transportation systems or facilities	Durazo	Would allow private nonprofit corporations to join a JPA to facilitate the design, finance, construction or operation of zero emission transportation systems or facilities.	Not yet reviewed
SB 1230 Zero-emission and near-zero emission vehicle incentive programs: requirements.	Limón	Would make changes to how EV incentives are accessed.	Not yet reviewed

Bill	Author	Summary	Position
SB 1287 Electric service providers and community choice aggregators: financial security requirements.	Bradford	Increases financial security requirements for CCAs to protect IOUs from absorbing CCAs customers in adverse market conditions. In its current form, the bill could prevent new CCAs from forming and increase ratepayer costs for all CCAs.	Engaging with CalCCA to navigate this bill in concert with parallel CPUC proceeding
SB 1328 Prohibited investments and contracts: Russia and Belarus.	McGuire	Prohibits California State investments in Russia and Belarus in response to Russia's war on Ukraine.	Support Action by staff in response to guidance by Board
SB 1340 Property taxation: new construction: active solar energy systems and nonqualified active solar energy systems.	Hertzberg	Would extend the deferral of property tax reassessments for commercial properties having solar arrays.	Not yet reviewed
SB 1385 Electricity: multifamily housing local solar program.	Cortese	Would require IOUs to construct utility-owned solar arrays on or near multifamily housing. Potential significant concerns if this removed customers from CCA service without significant customer and climate benefits. Notably, the bill does not require systems to offset greenhouse gas emissions.	Not yet reviewed
SB 1376 State Energy RCD: strategic plan: zero-carbon resources.	Stern	Strategic plan to connect 6,000 MW of new renewable power per year to California's transmission system starting in 2025.	Not yet reviewed
SB 1432 Electricity: resource adequacy requirements: electric service providers.	Hueso	Affects how generating resources used to provide resource adequacy are selected or approved and how costs of backstop procurement are allocated.	Not yet reviewed
SCR 53 Climate change	McGuire	Resolution declaring the global climate crisis	Support Action by staff

Recommended Positions:

SB 884 (McGuire) Electric Power Line Undergrounding - Recommend Support

Senator McGuire's bill would require accelerated distribution line undergrounding plans, defer IOU profits from that work until 5 years have passed with no PSPS events or utility fires, and require cooperation from telecom companies using the affected power poles. Key limitations placed on local permitting agencies to facilitate underground projects would be:

- Permitting for distribution line undergrounding would need to be approved or denied within 150 days.
- Denial of a permit would need to identify a specific adverse impact based on the written evidence that cannot reasonably be mitigated.

There is no committee analysis available for the bill yet, and the committee hearing date is not yet set for the Senate Energy Utilities and Communications Committee.

Positions Taken Since Last Board Meeting:

SB 833 (Dodd) Community Energy Resilience Act - Support

This bill would create a grant program for local communities to apply for funding to develop community energy resilience plans through the State Energy Resources Conservation and Development Commission. Priority for the funding would go to low-income and disadvantaged communities experiencing power outages first, then to regions experiencing outages more generally. The bill is attached to this report. After consulting with the Chair and Vice Chair, SCP took a support position on the bill in time to be registered as it went to policy committee on March 14.

SB 881 (Min) Integrated Resource Plans GHG Compliance - Oppose Unless Amended

The Union of Concerned Scientists (UCS) is sponsoring a bill intending to ensure that all electric providers meet the greenhouse gas reduction goals established under AB 32 and 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 reduction requirements. However, 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, opting to pay penalties rather than meet the obligations.

Staff's concern is that the bill's current language could slow down renewable procurement and limit SCP's ability to determine what kinds of clean power resources should be used. The bill would also unnecessarily increase ratepayer costs. These concerns arise because the bill ties compliance to precisely following the procurement plans identified in each Integrated Resource Plan, despite the fact that IRPs were never intended to serve that purpose. The problem arises because IRPs make very specific guesses about which resources and in what amounts a power provider will construct and by specific dates. In reality, power providers must pay attention to actual energy market prices and adapt their plans in order to protect ratepayers. Compliance is therefore determined based on actual procurement, and not based on the guesses in the IRP. However, this bill would codify those guesses as compliance mandates. Any changes in market conditions that make those guesses uneconomic would either be paid by ratepayers as excess costs or deemed as a compliance violation and met with backstop procurement by PG&E for SCP to fill those volumes - whether needed for greenhouse gas reductions or not.

CalCCA provided alternate language to the Sponsor on March 8, but it appears the Sponsor did not share that language with the Author. As a result, CalCCA is now working directly with the Author to help him achieve his goal of ensuring the State's greenhouse gas goals implied in SB 100 are achieved, while working to preserve CCA's ability to determine the best manner to achieve those goals. If these goals are met, staff will ask for SCP to support the bill.

SCP testified in the Senate Energy Utilities and Communications Committee on March 28 alongside SCE, making the case that the bill needs works. However, the Chair of the Committee urged all members to pass it so it could stay alive for further work. The bill passed out of Committee.

SB 1112 (Becker) On Bill Financing Deed Record - Support

This bill would require SCP along with all other electric power providers offering on-bill loan financing to record the loan on the deed of the property when that loan is attached to the property and not the person (i.e., for situations where the loan must continue to be paid by the new owner when the property is sold). While this bill is quite narrow and focuses on an administrative requirement, staff believe this will help facilitate more widespread use of on-bill financing for building decarbonization work in California. After consulting with the Chair and Vice Chair, SCP took a position in support in time to

be registered in advance of the policy committee hearing. That hearing has subsequently been delayed.

Attachments:

- AB 1814 (Grayson) Access to EV Funds – SCP Letter of Support, available at [this link](#) or by request to the Clerk of the Board
- AB 1944 (Lee) Teleconference Meetings – SCP Letter of Support, available at [this link](#) or by request to the Clerk of the Board
- SB 833 (Dodd) Community Energy Resilience -- SCP Letter of Support, available at [this link](#) or by request to the Clerk of the Board
- SB 881 (Min) IRP GHG Compliance -- SCP Letter Oppose Unless Amended, available at [this link](#) or by request to the Clerk of the Board
- SB 884 (McGuire) Power Line Undergrounding -- Bill Language available, at [this link](#) or by request to the Clerk of the Board
- SB 1112 (Becker) On-Bill Finance Deed Record -- SCP Letter of Support, available at [this link](#) or by request to the Clerk of the Board
- SB 1328 (McGuire) Prohibit Investing in Russia – SCP Letter of Support, available at [this link](#) or by request to the Clerk of the Board
- SCP Letter of Support for County of Mendocino REV Charging Grant 3-8-22, available at [this link](#) or by request to the Clerk of the Board
- SCP Letter of Support for SCTA 2022 TIRCP Application Omishakan 2-23-22, available at [this link](#) or by request to the Clerk of the Board

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Staff Report - Item 09

To: Sonoma Clean Power Authority Board of Directors

From: Mike Koszalka, COO
Rebecca Simonson, Director of Programs

Issue: Approve the Proposed Budget Adjustments to the Fiscal Year 2021-2022 Budget

Date: April 7, 2022

Recommended Action

Approve the proposed budget adjustments detailed in Table A of this report to the Fiscal Year 2021-2022 Budget.

Background

SCP commonly brings a mid-year budget adjustment to the Board to account for changes in energy prices, customer participation rates, and regulatory decisions relating to customer exit fees (PCIA) and utility retail rates. Staff waited an extra month this year to confirm the impact on rates and budget from PG&E's fee and rate changes on March 1st.

Discussion

The proposed budget adjustment is solely for revenues and power costs.

Revenues

Although our MWh forecast for customer usage is still right on budget, the rate change to be implemented on April 1st will increase revenues above our original budget. This will cause us to eliminate the monthly net deficit we have been running for several months this fiscal year.

Cost of Energy

The market cost of energy skyrocketed in 2021 and continues at a high level in 2022 for many reasons, starting with the Texas ice storm and COVID-19 supply chain issues, and extending through to the current Russian war on Ukraine.

Fiscal Impact

These budget adjustments combined with the requested rate change will result in a small increase in net position at the end of the fiscal year. We do not anticipate needing to use our Operating Account Fund as the reduction in PCIA has allowed us to move our rates to the point where customer bills are equal to PG&E bundled customer bills.

Because of this, and also to align SCP's reserve practices with other credit rated CCAs, we expect to come back to the Board in mid to late summer requesting we recognize the \$26 million Operating Account Fund as revenue as well as request a modification to simplify SCP's Reserve Policy.

Community Advisory Committee Review

The Community Advisory Committee unanimously recommended the Board approve this budget adjustment in their meeting on March 17, 2022.

Table A

	APPROVED Budget FY 21-22	PROPOSED ADJUSTMENT Budget FY 21-22	Changes from Approved Budget
REVENUES & OTHER SOURCES			
Electricity Sales (net of allowance)	\$ 179,277,000	\$ 191,599,000	Reflects rates set to provide customers with bills 0% above PG&E bundled rates.
EverGreen Premium (net of allowance)	\$ 2,074,000	\$ 2,074,000	
Operating Account Fund Inflows	\$ 1,353,000	\$ -	
CEC Grant Proceeds	\$ 2,065,000	\$ 2,065,000	
BAAQMD Grant	\$ 50,000	\$ 50,000	
Interest Income	\$ 840,000	\$ 840,000	
Total Revenues	\$ 185,659,000	\$ 196,628,000	
EXPENDITURES			
Product			
Cost of Energy and Scheduling	\$ 159,436,000	\$ 165,468,936	Updated estimated energy costs due to recent market trends.
Data Management	\$ 3,198,000	\$ 3,198,000	
Service Fees to PG&E	\$ 973,000	\$ 973,000	
Personnel	\$ 6,200,000	\$ 6,200,000	
Outreach and Communications	\$ 1,350,000	\$ 1,350,000	
Customer Service	\$ 363,000	\$ 363,000	
General and Administration	\$ 1,140,000	\$ 1,140,000	
Legal	\$ 410,000	\$ 410,000	
Regulatory and Compliance	\$ 430,000	\$ 430,000	
Accounting	\$ 245,000	\$ 245,000	
Legislative	\$ 120,000	\$ 120,000	
Other consultants	\$ 225,000	\$ 225,000	

Table A

		PROPOSED Budget FY 21-22	PROPOSED ADJUSTMENT Budget FY 21-22	Changes from Approved Budget
EXPENDITURES – continued				
Industry Memberships and Dues	\$	536,000	\$ 536,000	
Program Dev. and Implementation	\$	5,640,000	\$ 5,640,000	
CEC Grant Program	\$	4,000,000	\$ 4,000,000	
Total Expenditures	\$	184,266,000	\$ 190,298,936	
Revenues Less Expenditures	\$	1,393,000	\$ 6,329,064	
OTHER USES				
Capital Outlay	\$	1,393,000	\$ 1,393,000	
DEBT SERVICE				
Debt Service	\$	-		
Total Expenditures, Other Uses	\$	185,659,000	\$ 191,691,936	
Net Increase/(Decrease) in Fund Balance	\$	-	\$ 4,936,064	



Staff Report - Item 10

To: Sonoma Clean Power Authority Board of Directors

From: Ryan Tracey, Director of Planning & Analytics
Deb Emerson, Managing Director
Rebecca Simonson, Director of Programs
Geof Syphers, CEO
Mike Koszalka, COO

Issue: Integrated Resource Plan (IRP) Reintroduction and Provide Direction as Appropriate

Date: April 7, 2022

Recommended Actions

No action. Staff will reintroduce the Integrated Resource Planning (IRP) Process to the Board of Directors.

Background

The Integrated Resource Plan (IRP) process is a tool for load serving entities to evaluate long-term portfolio strategies with consideration of financial, environmental, and regulatory impacts. SCP began its own IRP process in 2018 as part of a biannual compliance requirement established for load serving entities within the CPUC's jurisdiction.

SCP has identified value in the IRP process far beyond compliance requirements. This started in 2018 when staff prepared a standalone IRP document outlining issues, data, and goals specific to SCP. Today, the IRP has become a core responsibility of the Planning & Analytics Department and staff is equipped with sophisticated tools, including Ascend's PowerSimm platform, to perform detailed quantitative analysis on the performance of alternative portfolios.

Last year, staff introduced the Board to begin using new analytical and organizational capabilities. Although staff originally anticipated completing an internal IRP process in 2021, several factors have led to delaying this process to 2022 including market dynamics and accelerated procurement activity for compliance requirements. Staff has used this extra time to develop high competency in Ascend's PowerSimm platform, engage other CCAs on portfolio modeling, engage staff across departments in the IRP process, and identify data sources for hourly emissions evaluation.

Staff is reintroducing the IRP to the Board to provide updates on staff's planned approach to IRP and to seek feedback on strategies and priorities for both customer programs and supply-side portfolios that will be considered as alternatives to meet SCP's environmental objectives. Staff will plan on returning to the Board as soon as June 2022 to present a recommended portfolio for this year's IRP. SCP's preferred portfolio will be submitted in the CPUC's 2022 IRP compliance filing that is due November 1, 2022.

Discussion

Staff's presentation to reintroduce the Board to the IRP is attached as Addendum 1 to this report. The Board and public are encouraged to ask questions and provide feedback following the presentation.

To help guide discussion, staff will be specifically asking for feedback on the following question on IRP priorities presented in the last slide:

- How can we improve on these priorities? What other objectives should SCP consider for supply-side resources and customer programs?

Community Advisory Committee Review

Staff provided the CAC with an expanded presentation to provide additional background on IRP for new members. The CAC provided valuable feedback on the objectives and process for SCP's IRP including:

- The timeframe for mitigating climate change is non-negotiable: 5% annual emissions reductions consistent with the IPCC scenario should be the minimum.
- There is strong interest in the infrastructure implications of transit and building electrification. Is grid capacity sufficient for applying SCP's climate solutions at scale?

- The committee would like future presentations to include more details on implementation of climate mitigations.
- Committee members endorsed strategy of looking holistically at emissions impacts beyond supply stack and considering cross-sector solutions.

Attachments

- Integrated Resource Plan

Integrated Resource Plan (IRP) Reintroduction

sonomacleanpower.org



**Sonoma
Clean Power**

Sonoma Clean Power is turning the tide on the climate crisis, through bold ideas and practical programs.

1

What is New?

- Ascend PowerSimm
- Preferred System Plan Decision
- Mid-term Reliability Procurement Order
- Energy Market
- Cross-agency IRP Focus



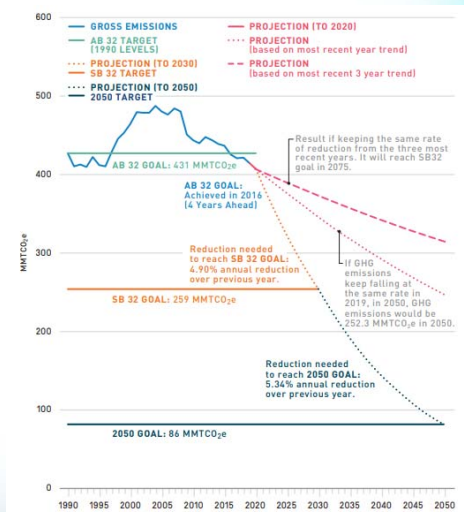
2

Climate Imperative

- California needs a step change in annual emissions mitigations to meet climate goals
 - Recent years at 1.6%/yr, but goals require closer to 5%/yr
(Note: reduction rate for SB32 goal is approximately aligned with the global reductions required for limiting warming to 1.8°C in the latest IPCC scenarios)
- Droughts and wildfires increasingly impact local community and further complicate electricity reliability
- Primary objective of founding SCP to give local community agency in reducing emissions

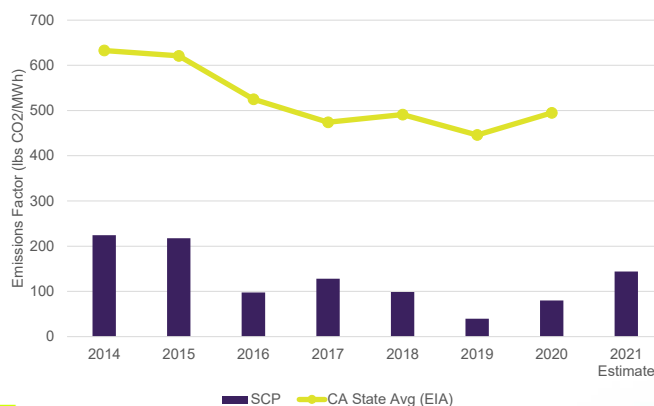


California GHG Emissions and Projected Reduction Goals



3

Supply Emissions Reductions



- Largest emissions reduction in first year of service in 2014: 49% reduction vs. PG&E service
- 2018 IRP target of continuing to reduce emissions to 75 lbs/MWh by 2030
- New priority of sustaining reliability as rest of state catches up to SCP and load grows due to electrification of heating and transit

4

Program Emissions Reductions



Transit and gas-fueled
equipment
electrification



Building efficiency and
electrification



Customer-sited
renewables & storage



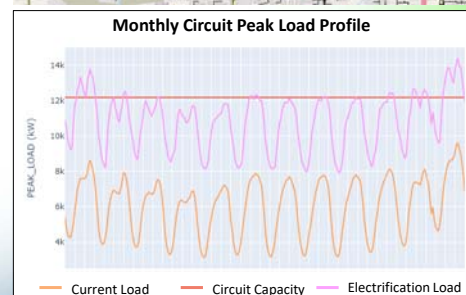
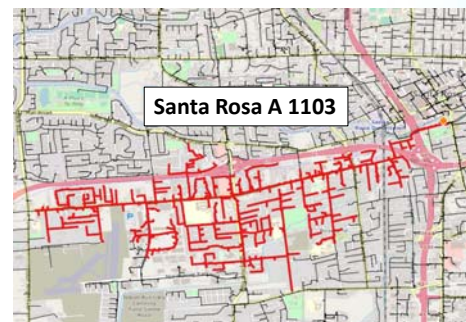
Load flexibility &
dispatch



5

Deployment & Infrastructure

- SCP starting to conceptually test electrification transit and building sectors on existing infrastructure
- As electrification penetration increases, value of distributed energy resources and load flexibility expected to increase greatly
- Although avoided infrastructure costs cannot be directly monetized by SCP, minimizing overall cost of energy transition is paramount



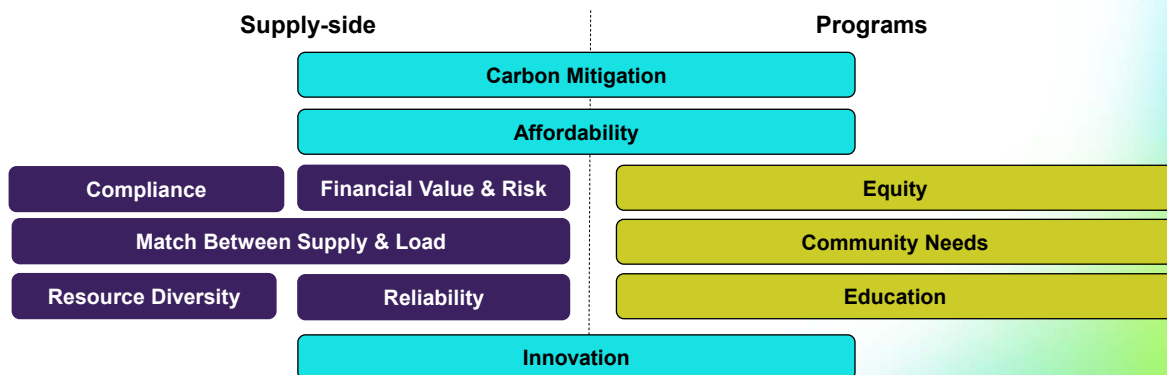
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CAC Feedback on IRP

- Timeframe for climate mitigation is non-negotiable: 5% annual emissions reductions for IPCC scenario should be the minimum
- Strong interest in infrastructure implications – is grid capacity sufficient for SCP's climate tools?
- Committee had appetite for more details on implementation
- Endorsement of strategy to look more holistically at emissions impact beyond supply stack and consider cross-sector solutions

7

IRP Priorities



Key Question for Board: How can we improve on these priorities? What other objectives should SCP consider for supply-side resources and programs?

8

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Staff Report - Item 11

To: Sonoma Clean Power Authority Board of Directors

From: Rebecca Simonson, Director of Programs
Carolyn Glanton, Programs Manager
Geof Syphers, CEO
Mike Koszalka, COO

Issue: Review Programs Strategic Action Plan and Provide Direction as Appropriate

Date: April 7, 2022

Recommended Actions

Review the 2022 Programs Strategic Action Plan and provide comments, feedback, and direction to staff.

Background

The first Programs Strategic Action Plan ("Plan") was received by the Board of Directors in February 2018. Since then, the Plan has been updated and presented to the Board every six months. Going forward, Staff intends for the Plan to be updated once per year in spring to coincide with our annual budget setting process.

This year, SCP has revised and updated this Plan to adapt to new changes, challenges, and opportunities, and to integrate the Programs Equity Framework. In early 2021, SCP presented a draft Programs Equity Framework to the Community Advisory Committee ("CAC") and Board of Directors. After receiving feedback from the CAC and Board, SCP invited public feedback through three virtual meetings and a survey in English and Spanish. SCP incorporated the constructive and valuable feedback into the final document. The final Programs Equity Framework was presented to the CAC in April 2021 and the Board in May 2021.

The Equity Framework outlines inclusive and practical steps for developing and implementing programs. Steps include:

- Assessing community needs and setting goals
- Establishing community led decision making
- Developing a plan and metrics for tracking
- Ensuring funding and program leverage and
- Improving outcomes

Currently the Programs Strategic Action Plan and the Equity Framework are separate documents. Moving forward, SCP will combine them and turn conceptual understanding into real change. This updated Strategic Action Plan is a first step in that change.

Discussion

The Programs Strategic Action Plan is attached as Attachment A to this report. Notable changes to this document include:

1. Incorporating the Programs Equity Framework steps into the Strategic Action Plan.
2. Removing previous long-term actions that mentioned future SCP proposed programs. Following the Equity Framework, SCP now proposes to engage with the community to establish needs prior to proposing new programs.
3. Reducing the document length nearly in half, from 39 pages to under 20.
4. Listing metrics for each current program we are offering.
5. Reviewing the reading level of the document, targeting a grade 9 reading level to be more accessible to the public.

This document will continue to evolve over time and improve upon the items listed above.

In addition to providing any comment or reaction to the draft plan, Staff seeks specific feedback on the following:

1. How to involve customers and the community.

2. How to develop an equitable approach and participation within customer offerings and incentives.
3. Our proposed approach, including proposed immediate, near-term, and long-term actions.

Fiscal Impact

No fiscal impacts related to this item. Budgeting for programs is accomplished through the annual budget process.

Community Advisory Committee Review

The Plan was presented to the CAC for review and input. Broad support for the updated content was given. Several typos were identified and will be fixed in the final document. Committee Member Wells requested a summary table of the document. Programs staff is working on a one-page summary of programs that will be provided separately.

Attachments

- Attachment A - Draft Programs Strategic Action Plan
- Attachment B - Strategic Action Plan Presentation



Strategic Action Plan

Customer Offerings & Incentives Programs

2022



1. Sonoma Clean Power

1.1 Power with purpose

Sonoma Clean Power (SCP) serves residents and businesses in Sonoma and Mendocino counties (except for the cities of Healdsburg and Ukiah who have their own municipal utilities). We provide clean electricity from renewable sources such as solar, wind, and geothermal.

Our mission is to turn the tide on the climate crisis through bold ideas and practical programs. Climate change affects everyone, so we design our services to be practical and inclusive. SCP provides incentives so customers can reduce their utility bills and help clean up California's electric grid.



2. About this Strategic Action Plan

SCP developed the Programs Strategic Action Plan for Customer Offerings & Incentives (“Plan”) to support our mission to turn the tide on the climate crisis through bold ideas and practical programs.

This Plan outlines the strategies and goals of our current customer programs. This Plan also is the first step in evolving our strategy. To achieve our mission of turning the tide on the climate crisis, our programs must be impactful, scalable, accessible, and enhance our customers’ lives. To ensure our programs are driven by the needs of the communities they serve, this Plan involves strategies to involve customers and the community.

This Plan follows the guidance from SCP’s Programs Equity Framework, published in 2021, in informing new programs and establishing new goals and metrics. The Equity Framework outlines inclusive and practical steps for developing and implementing programs.

A key step in the Equity Framework is ensuring we involve the community in setting goals and creating new programs. Before we can update our Plan goals, we must engage our customers and our community. Future strategic action plans will reflect this improved strategy and include programs based on community needs.

2.1 Approach

Strategic action planning for customer offerings and incentives should address the needs of our service territory. Here’s how we will get there:

2.1.1 *Immediate actions*

The following actions are either underway or are under development for this calendar year (2022).

1. Continue providing our customers with our current offers and incentive programs.
2. Introduce programs currently in the development stage.
3. Build relationships with community organizations.
4. Engage with our community members to better understand their needs and priorities by:
 - attending public events,
 - hosting education classes,
 - inviting people to the Advanced Energy Center, and
 - inviting comments and feedback through our website.

In early 2022, we surveyed all SCP staff across our Agency departments and roles regarding their perceived success of our programs. The survey responses identified what people care about. While this survey had a narrow focus on SCP staff, it will be used as a reference point in engaging with the community.

The results of the survey were that people are more likely to take part if a program:

- provides tangible benefits,
- is easy to take part in and makes their lives easier,
- doesn't have an up-front cost,
- provides a clear benefit to the community and the planet,
- fits into their lifestyle and housing situation (for example, renting),
- supports their self-identification, beliefs, and values,
- supports new and trending ideas and technologies,
- lines up with the timing of decision points (for example, needing a new car, water heater, etc.), and
- helps with the costs of electric vehicles and opportunities to charge them.

2.1.2 Near-term actions

After completing the immediate actions listed above, we will develop near-term actions to be implemented. These actions will be reflected in next year's update to the Strategic Action Plan. To achieve this, we will:

1. Develop new program strategies and goals with community involvement.
2. Prototype solutions with community organizations to better meet community needs and priorities.
3. Create metrics for all programs, with a plan for tracking success and program impact.
4. Keep listening to identify further needs that we can address through our role as the local electricity provider.

2.1.3 Long-term actions

Using our tracking and metrics plans, SCP will maintain a constant customer feedback loop. This flow of information will be used to improve the reach and impact of current and future programs. SCP will also adjust the offers and incentives, as needed, to target the intended customers and deliver tangible benefits.

2.2 Current program strategies

SCP has developed six program strategies to turn the tide on the climate crisis. SCP integrates equity, inclusion, and funding source development into each of the strategies listed below. The rest of this Plan will focus on the work we are doing on each of these strategies.

- Electrify transportation and gas-powered equipment
- Accelerate building efficiency and electrification
- Reduce peak demand and shift energy use away from 4-9PM
- Promote customer solar plus battery storage projects to produce energy and support resiliency
- Educate and engage customers, residents, youth, and workforce within our community
- Foster innovation through research and development

3. Electrify transportation and gas-powered equipment

Transportation produces most of the air pollution and greenhouse gas emissions in Sonoma and Mendocino counties. Most of these emissions are created by the cars and trucks we drive every day. Replacing our gasoline and diesel cars and trucks with electric vehicles (EVs) will reduce greenhouse gas emissions and air pollution, including smog. EVs are cleaner and produce fewer emissions. They need very little maintenance and can be less expensive to operate than gas cars.

Gas-powered yard and other equipment are another source of greenhouse gas emissions and local air (and noise) pollution. These small gasoline engines produce pollutants that are known to cause lung, heart, and brain health issues. New battery-powered equipment, lawnmowers, and leaf blowers, for example, are quieter, don't pollute, and work as well as conventional equipment.

SCP currently offers programs to promote EV adoption and EV charging infrastructure. SCP also promotes electric and clean mobility solutions, such as electric bikes, as an alternative to cars.

Additionally, we are planning to promote electric yard equipment, in place of gas-powered options.

For future program planning, SCP will engage community organizations to learn more about transportation needs and barriers. SCP will use this information to design future programs to deliver tangible local benefits for all customers.



3.1 Current customer offerings

3.1.1 Free residential electric vehicle chargers

SCP provides customers an up-front discount of 50% on the cost of a Level 2 EV charger. SCP reimburses the remaining cost after the customer installs and activates the charger, ultimately providing an entirely free EV charger (minus installation costs).

- Over 3,500 free chargers issued to date (through December 2021)

3.1.2 Non-profit electric vehicle incentives

SCP offers up to a \$12,500 reimbursement to non-profits to help them transition from gas-powered vehicles to clean EVs. The reimbursement can be used to purchase or lease an EV or a plug-in hybrid (with a battery range of at least 25 miles).

- Reimbursements provided to 12 local non-profits (through December 2021)

3.1.3 Sonoma Coast Incentive Program

SCP partnered with the California Electric Vehicle Infrastructure Program (CALeVIP) in 2020, to provide rebates for EV Level 2 & DC Fast Charger purchase and installation costs. This program promotes public charging infrastructure in the region.

- 21 projects awarded funding (as of January 2022)
- 32% of funds have been reserved for disadvantaged and low-income communities

3.1.4 Bike Electric

In 2021, SCP provided income-qualified customers a \$1,000 incentive toward the purchase of an electric bike (eBike) to promote the use of ebikes instead of cars for short trips.

- 421 ebike purchases

3.2 Customer offerings in development

3.2.1 Landscaping Equipment Program

SCP is examining the barriers of replacing gas-powered yard equipment with electric alternatives. SCP plans to develop a pilot program to test and gain feedback on the replacement of gas-powered yard equipment with electric alternatives in three different sizes of landscaping organizations: sole proprietor, medium-scale and large-scale.

3.2.2 Fast Charge for All

SCP is developing a program to provide a special incentive of up to \$80,000 for EV fast-charging stations serving coastal and low-income residents. Valid CALeVIP applications that were wait-listed due to high demand for the Sonoma Coast Incentive Project will be eligible if they meet the rural and low-income criteria set for the program.

4. Accelerate building efficiency and electrification

Using fossil fuels in our homes and buildings for heating and cooling, water heating, and cooking is a large source of greenhouse gas emissions. We can replace water heaters, space heating and cooling appliances, and even gas cooking with efficient electric options. These high-performance electric appliances produce far fewer emissions, especially when powered by clean renewable electricity.

Burning fossil fuels in our buildings also creates unhealthy indoor air, potentially contributing to health issues including asthma. Replacing gas appliances with high-performance electric options will improve indoor air quality and reduce the risk of hazards associated with combustion appliances.

SCP currently offers programs to promote both energy efficiency and electrification in new and existing buildings.

SCP has identified an immediate opportunity to support non-profit kitchens in electrifying cooking-related appliances. The non-profit kitchen upgrade program is expected to launch later in 2022.

Building electrification must be pursued equitably, ensuring that environmental and social justice communities are not left behind. SCP will listen to our community and customers to understand barriers to electrifying their homes. SCP will also respond to specific needs, desires, and concerns around electrification and energy efficiency.



4.1 Current customer offerings

4.1.1 Advanced Energy Center

SCP opened the Advanced Energy Center to provide customers with an immersive demonstration area showcasing technologies that they can install to save money and reduce their carbon footprint. The Advanced Energy Center is available in-person and online to provide information on and connect customers with contractors for heating and air conditioning systems, induction cooktops, heat pump water heaters, battery storage, and more. Many different classes are held through the Advanced Energy Center, both in-person and online.

Since June 2020,

- Over 1,380 visitors have experienced the Center

4.1.2 Electrification incentives

To make clean energy solutions more accessible, SCP provides discounts and incentives through the Advanced Energy Center on a variety of technologies, including heat pump space conditioning, heat pump water heaters, heat recovery ventilators, induction cooktops, etc. SCP also provides a set of free cookware for customers who purchase and install an induction cooking appliance.

SCP has provided discounts or incentives for:

- 33 heat pump water heaters
- 22 heat pumps for space heating and cooling
- 8 induction cooktops and 8 sets of free cookware

4.1.3 On-bill financing

To reduce barriers of up-front costs associated with electrification, SCP offers customers 0% on-bill financing up to \$10,000 for the purchase and installation of select energy efficiency technologies payable through the utility bill.

- 57 applications
- \$135,537 worth of projects

4.1.4 Induction cooktop lending program

To promote induction cooking as an alternative to gas cooking, SCP offers customers a free portable induction cooktop to borrow for up to 2 weeks, along with essential cookware.

- 290 customers have borrowed an induction cooktop as of February 2022

4.1.5 Commercial energy optimization

To reduce energy use and energy costs, as well as to encourage site electrification, SCP is offering no-cost energy audits and electrification studies to qualifying commercial SCP customers. This program launched March 2022.

4.1.6 Advanced Energy Rebuild

To support high-performance and resilient construction, SCP offers developers and homeowners rebuilding from the 2017 Tubbs and Nuns fires technical guidance and up to \$17,500 in incentives per home.

- **Over 300 homes completed**
- **\$3.1M in total incentives reserved**

4.1.7 Advanced Energy Build

SCP offers developers technical guidance and up to \$4,500 per unit to build high-performing and resilient homes in Sonoma and Mendocino County. The program offers increased incentives for low-income homes and multifamily buildings.

- **574 units of housing enrolled, with over 95% being low-income residences**
- **Over \$1.5M in incentives reserved as of February 2022**

4.1.8 Multifamily housing electric panel upgrades

To support electrification retrofits of multifamily housing, SCP has partnered with BayREN's Multifamily Program to provide incentives of \$500 per in-unit panel upgrade (\$750 for income-qualified customers) and \$5,000 per central building panel upgrades. This program launched in January 2022.

4.1.9 SCP Electrify

To help customers in the transition to electrification, SCP offers an online tool to help customers discover clean energy opportunities in their home and get valuable, actionable insights on which clean technology is right for them.

4.2 Customer offerings in development

4.2.1 FLEXmarket

SCP has applied for California Public Utility Commission (CPUC) energy efficiency funding to implement an incentive program for energy efficiency projects in existing buildings. If approved, SCP would pay incentives based on time of day avoided energy costs for energy efficiency projects that reduce total energy peak load. This funding and program are aimed at permanent energy reduction and permanently shifting energy use away from peak hours.

4.2.2 Nonprofit kitchen upgrade

To help nonprofits in the transition to electrification, SCP is developing and offering to provide qualifying non-profits with incentives to replace gas cooking ranges with electric induction and replace inefficient dishwashing machines. This offering is planned to be available by the end of 2022.

5. Reduce peak demand and shift energy use away from 4-9PM

In the last decade, more and more solar photovoltaic has been added to the grid. Solar is a clean, renewable energy source, but only generates electricity during the day. Yet, energy demand is the highest in the evening (4-9PM), when people return home and turn on appliances.

The increased need for electricity happens around the time the sun sets and solar production falls. Dirty fossil fuel power plants are used to provide this energy in the evening to address peak demand. Fossil fuel power plants increase air pollution and greenhouse gas emissions, contributing to climate change.

Therefore, it's important to look at when customers use energy, not just how much energy they use. SCP currently offers programs to:

- **Reduce energy usage between 4 and 9PM**
- **Shift energy usage to mid-day and hours where solar and other clean energy is significant**

For future planning, SCP will center equity in reducing and shifting energy use between 4PM and 9PM. SCP will listen to our community and customers and identify ways that reducing and shifting energy use can benefit and improve their lives.

5.1 Current customer offerings

5.1.1 GridSavvy Rewards

To help automate reducing and shifting energy use from peak times, SCP offers discounts and incentives to purchase and connect smart devices, such as EV chargers and smart thermostats. These smart devices can receive a remote signal from SCP, automatically adjusting usage while making energy saving easy.

SCP will also be offering a behavioral GridSavvy Rewards offering by the summer of 2022 where customers can receive financial rewards for reducing energy at peak times through any means that works for them. There will be no need for any specific technology or equipment.

- **3,700 free EV chargers provided to customers**
- **1,200 EV chargers currently enrolled in demand response**
- **90 discounted smart thermostats provided to customers**
- **240 smart thermostats are enrolled in demand response**

5.2 Customer offerings in development

5.2.1 FLEXmarket

See Section 4.2.1.

6. Promote customer solar plus battery storage project to produce energy and support resiliency

Sonoma and Mendocino counties have felt the effects of climate change contributing to extreme weather and destructive wildfires. To prevent further wildfires caused from power lines, PG&E can turn off power during severe weather. This is called a Public Safety Power Shutoff (PSPS).

Many customers in SCP's service territory have been affected by PSPS events since 2018. To mitigate these disruptions, SCP supports solar plus battery storage projects installed on the customer's side of the electric meter.

Customer solar plus battery storage also plays an integral part of California's clean energy goals and shifting energy use away from 4-9pm (see Section 5). SCP's current programs:

- Promote solar installed on the customer's side of the electric meter
- Promote battery storage installed on the customer's side of the electric meter

For future planning, we will engage community organizations to learn more about customer energy production and resiliency needs and barriers. SCP will collaborate with local government agencies.



6.1 Current customer offerings

6.1.1 Self-Generation Incentive Program Assistance

SCP helps customers applying for battery system incentives through the Statewide Self-Generation Incentive Program, also known as SGIP. SCP provides incentive payments in advance and helps participating contractors with the application process.

As of February 2022,

- 150 battery storage installations
- \$1.8M of up-front incentives provided

6.1.2 NetGreen+

To incentivize customers to install solar and solar plus battery storage, SCP pays customers who generate more electricity than they use during a billing cycle the retail rate plus a 1¢ bonus per kilowatt-hour (kWh). SCP also pays out double the PG&E incentive if a customer generates more electricity than they use on an annual basis.

- Over 20,000 customers are enrolled in NetGreen+ as of February 2022

6.1.3 Site leasing interest program

To promote local clean power and resilience, SCP is working with several customers who have expressed interest in leasing access to their rooftops and land for solar plus battery storage installations that SCP would purchase energy from. This program is in early stages of implementation.

6.2 Customer offerings in development

None.

7. Educate and engage customers, residents, youth, and workforce within our community

Energy is an important issue, and one that allows everyone to make a difference. By learning how to use less energy, customers can save money. By learning how to live an all-electric lifestyle, customers can reduce their carbon footprint.

California has ambitious goals for building a clean economy. There are industry demands for a workforce with a blend of technical skills and business management abilities. Skills are needed in construction, electrical work, and renewable energy technologies, such as photovoltaic, geothermal, and wind.

SCP's current programs promote public education involving energy efficiency, electrification, and electric vehicles.

For future planning, SCP will listen to our community members and customers. Partnerships are essential to the work that we do. They help us better understand our customers' needs, connect with our community, and respond to issues within our service territory. SCP can be part of the solution by supporting the incredible efforts and services already being led and offered by local organizations, agencies, and community groups.



7.1 Current customer offerings

7.1.1 Advanced Energy Center

See Section 4.1.1.

7.1.2 Do-it-yourself home energy toolkit

To help customers identify quick home upgrades to save energy, water, and money, SCP partnered with local agencies to create the do-it-yourself (DIY) Energy and Water Savings Toolkit. This toolkit can be checked out at a local library branch and comes with a guidebook and tools. Our partners include Sonoma Water, Sonoma Marin Saving Water Partnership, County of Sonoma Energy and Sustainability Division, Sonoma County Library, County of Mendocino, and the Mendocino County Library.

- 1,110 check outs through Sonoma County Libraries
- 110 check outs through Mendocino County Libraries

7.1.3 Energy education in schools

To inspire future energy leaders in Sonoma and Mendocino counties, SCP partners with Sonoma Water to teach K-12 students about electricity, power sources, and climate change. During the 2020/2021 school year,

- 2,100 students participated in over 100 lessons
- 34 schools and 7,600 students participated in virtual musical assemblies
- 13,700 rulers, 19,000 pencils, 4,400 pencil sharpeners, 600 toothbrushes, and 90 Sonoma Clean Power posters were given to students

7.1.4 Switch Lab

To teach students (middle school, high school, and college) the fundamentals of EV design, assembly, manufacturing, and maintenance, SCP partners with the Career Technical Education (CTE) Foundation and the Sonoma County Office of Education. SCP funds kits at select local schools, allowing students an opportunity to assemble a street-legal EV. Kits last up to 5 years and are assembled and disassembled each class.

- 9 Switch Lab EV kits have been distributed to schools throughout Sonoma and Mendocino counties
- Over 1,200 students have participated in the courses

7.1.5 Workforce development

To increase green building industry knowledge, SCP partners with the LIME Foundation's NextGen Trades Academy. The Academy is a program providing diverse vocational construction training and work/life skills to youth. It offers training and helps students find gainful employment in the trades fields, while providing a workforce for local contractors.

- Over 50 students have received green building education between July 2021 and January 2022

7.1.6 10,000 Degrees scholarship

In partnership with 10,000 Degrees, SCP offers scholarships for qualified students pursuing a 4-year college degree in Energy Management and Design, or another related environmental field included within the Geography, Environment, & Planning Department at Sonoma State University.

- Scholarships of \$5,000 have been provided

7.1.7 Spirit of Entrepreneurship grant

To foster a strong commitment to environmental stewardship and social equity in the next generation of local business owners, SCP partners with the Santa Rosa Junior College to help students earn start-up funds for their sustainable business ventures. Students enrolled in a certification program compete in a "Pitch Contest" at the end of the semester.

- 6 scholarships for a total of \$30,000 have been provided

7.2 Customer offerings in development

None.

8. Foster innovation through research and development

Innovation is needed to make the switch to 100% clean electricity and all-electric living. Embracing new technology, new processes, new behaviors, and new ways of thinking will help meet our goals. SCP will investigate new and potential technologies to reduce greenhouse gas emissions. SCP may pilot new programs and ideas to explore these ideas.

8.1 Current research and development

8.1.1 Investigate vehicle-to-building technology

SCP is investigating potential technologies that allow electric vehicles to provide backup power to buildings. SCP will also monitor Statewide policy on this topic.

8.2 Future planned research and development

To be determined.

9. Next Steps

The current and proposed customer offerings and incentive programs presented in this Plan represent our existing portfolio. As discussed in Section 2, we plan to address the unique needs of our service territory in strategic planning moving forward. Our next steps include the following:

9.1 Immediate actions

We will continue supporting our customers through our current offers and incentive programs. We will engage our community and build relationships with community organizations. Our communities' and customers' needs will better inform our goals.

9.2 Near-term actions

After building trust, we will develop new program strategies and goals with the community. We will ensure that decisions are based on community needs and priorities by partnering with community organizations.

Metrics and surveying program participants are important for assessing how effective our efforts are and how we can improve. SCP will create metrics for all programs and a plan for tracking program success through the established metrics.

9.3 Long-term actions

Using the tracking and metrics plans, SCP will use a constant feedback loop. This will improve the reach and impact of current and future programs. SCP will adjust the offers and incentives as needed to target the people intended and deliver benefits.



Strategic Action Plan

Customer Offerings & Incentive Programs



1

Programs Strategic Action Plan

- First presented to the Board in February 2018
- This update includes revisions adapting the Plan to new changes, challenges, and opportunities and integrating the Programs Equity Framework
- Staff now proposes to update the Strategic Action plan yearly in Spring



2

Programs Equity Framework

- February 2021 – Draft Framework presented to the CAC
- March 2021 – Draft Framework presented to the Board
- March-April 2021 – Public input
- April 2021 – Final Framework presented to the CAC
- May 2021 – Final Framework presented to the Board



3

Programs Equity Framework Steps

1. Assessing community needs and setting goals
2. Establishing community led decision making
3. Developing a plan and metrics for tracking
4. Ensuring funding and program leverage and
5. Improving outcomes



4

Notable Changes

- Incorporating the Programs Equity Framework steps into the Strategic Action Plan.
- Removing previous long-term actions that mentioned future SCP proposed programs. Following the Equity Framework, SCP now proposes to engage with the community to establish needs prior to proposing new programs.
- Reducing the document length nearly in half, from 39 pages to under 20.
- Listing metrics for each current program we are offering.
- Reviewing the reading level of the document, targeting a grade 9 reading level to be more accessible to the public.

5

Program Strategies

- Electrify transportation and gas-powered equipment
- Accelerate building efficiency and electrification
- Reduce peak demand and shift energy use away from 4-9PM
- Promote customer solar plus battery storage projects to produce energy and support resiliency
- Educate and engage customers, residents, youth, and workforce within our community
- Foster innovation through research and development

6

Feedback Requested

- How best to involve customers and the community.
- How best to develop an equitable approach and participation within customer offerings and incentives.
- Our proposed approach, including proposed immediate, near-term, and long-term actions.



7

Thank you



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