



**AGENDA  
BOARD OF DIRECTORS MEETING  
THURSDAY, MAY 5, 2022  
8:45 A.M.**

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

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

CONSISTENT WITH THE PROVISIONS OF AB 361, MEMBERS OF THE BOARD OF DIRECTORS WILL PARTICIPATE IN THE MAY 5, 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: This meeting will be conducted entirely by teleconference.**

How to Submit Public Comment During the Teleconference Meeting:

The Chair will request public comment during the Public Comment period for all items on the agenda. Comments may be submitted in writing to [meetings@sonomacleanpower.org](mailto:meetings@sonomacleanpower.org) or during the meeting via the webinar "raise your hand" feature. For detailed public comment instructions, [please visit this page](#).

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

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

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

## **CALL TO ORDER**

### **BOARD OF DIRECTORS CONSENT CALENDAR**

1. Approve April 7, 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. - 11**

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

3. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. - 15**
4. Receive Legislative and Regulatory Updates, Approve Positions on SB 852 (Dodd), SB 1020 (Laird, Atkins) and Provide Direction and Positions on Other Bills as Appropriate (Staff Recommendation: Approve) **pg. - 17**
5. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. - 27**
6. Authorize the CEO or his Designee to Execute the First Amendment to an Agreement with the Center for Sustainable Energy to Offer Additional Incentives for Public EV Charging Infrastructure (Staff Recommendation: Approve) **pg. - 29**
7. Receive Presentation on Spanish Language Focus Group Findings (Staff Recommendation: Receive and File) **pg. - 35**
8. Review the Empower Action Plan (Staff Recommendation: Receive and File) **pg. - 37**
9. Approve a Revision to Financial Policy B.2 Financial Reserves (Staff Recommendation: Approve) **pg. - 47**
10. Review and Provide Direction on the Draft Annual Budget for Fiscal Year 2022-2023 (Staff Recommendation: Receive and File) **pg. - 53**
11. Receive General Order (GO) 156 Supplier Diversity Program Update regarding CPUC Approval of Revised Proposed Decision (Staff Recommendation: Receive and File) **pg. - 69**

### **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, APRIL 7, 2022  
8:45 A.M.**

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

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

CONSISTENT WITH THE PROVISIONS OF AB 361 WHICH SUSPENDED CERTAIN REQUIREMENTS OF THE BROWN ACT, MEMBERS OF THE BOARD OF DIRECTORS PARTICIPATED IN THE APRIL 7, 2022, MEETING BY TELECONFERENCE.

**CALL TO ORDER**

(8:48 a.m. - Video Time Stamp: 00:03:01)

Chair King called the meeting to order.

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

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Stephanie Reynolds, Director of Internal Operations; Neal Reardon, Director of Regulatory Affairs; Rebecca Simonson, Director of Programs; Erica Torgerson, Director of Customer Service; Chad Asay, Director of the Advanced Energy Center; Ryan Tracey, Director of Planning and Analytics; Carolyn Glanton, Program Manager; and Joshua Nelson, Special Counsel

**BOARD OF DIRECTORS CONSENT CALENDAR**

(8:50 a.m. - Video Time Stamp: 00:04:24)

1. Approve March 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
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

4. Approve a Five (5) Year Extension of SCPA's Contract with Calpine Energy Solutions, LLC for Data Management, Billing, and Contact Center Services
5. Ratify Generation Rates Effective April 1, 2022, Consistent with Prior Board Direction
6. Receive GeoZone Update

Director Landman requested that the next GeoZone update be brought as a Regular Calendar item.

Director Felder requested that the March 3, 2022, draft minutes reflect that he was in attendance.

Public Comment: None

Motion to Approve the April 7, 2022, Board of Directors Consent Calendar by Director Rodgers

Second: Director Landman

Motion passed by roll call vote

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

## **BOARD OF DIRECTORS REGULAR CALENDAR**

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

(8:53 a.m. - Video Time Stamp: 00:08:30)

Rebecca Simonson, Director of Programs, introduced Eric Scheier, a U.S. Department of Energy Fellow placed with SCP and working with the Programs Department, and Erica Torgerson, Director of Customer Service, introduced Leif Christiansen, SCP's new Commercial Accounts Manager.

Chad Asay, Director of the Advanced Energy Center, provided updates regarding the Center, including upcoming events. Stephanie Reynolds, Director of Internal Operations, gave an update on SCP enrollment numbers and discussed Energy Education in Schools.

Director Hopkins inquired about outreach with trade organizations.

Chair King asked if drop-in visits were permitted at the Advanced Energy Center. Chad Asay, Director of the Advanced Energy Center, confirmed that

the Energy Center is open to the public and back to normal business hours. Chair King requested a monthly email to the Board with information about upcoming Energy Center events.

Public Comment: None

8. Receive Legislative and Regulatory Updates and Approve Positions on SB 884 (McGuire) and Others Bills as Appropriate

(9:07 a.m. - Video Time Stamp: 00:21:55)

Neal Reardon, Director of Regulatory Affairs, discussed wildfire mitigation plans, resource adequacy, effective implementation, and funding for implementation of wildfire mitigation plans. He also discussed Provider of Last Resort and gave an update on PG&E's undergrounding of power lines.

Geof Syphers, CEO, gave an update on AB 1814 (Grayson). CEO Syphers also discussed concerns with SB 1158 (Becker) which would require reporting greenhouse gas emissions on a 24-hour basis, but also includes language that could remove some of SCP's ability to select which resources to buy. He recommended the Board support SB 884 (McGuire) which would require improved planning for undergrounding, a deferral of profits, and expedite permitting.

Director Slayter asked if the CPUC exercises authority over undergrounding plans and Director Reardon replied that they do have to approve the plans.

Director Bagby requested SB 1173 (McGuire) be placed on the monitor list.

Director Gjerde inquired if SCP could help rural residents understand their property rights regarding PG&E's use of their land and CEO Syphers said that SCP would reach out to Mendocino County officials already working on this and learn what we can on the issue. Chair King requested that this information be brought back to the Board in May.

Public Comment: None

Motion to Receive Legislative and Regulatory Updates and Approve Positions on SB 884 (McGuire) and Others Bills as Appropriate by Director Landman

Second: Director Elward

Motion passed by roll call vote

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

9. Approve the Proposed Budget Adjustments to the Fiscal Year 2021-2022 Budget

(9:37 a.m. - Video Time Stamp: 00:52:31)

Mike Koszalka, Chief Operating Officer, noted that the requested adjustments to the budget are based on the new rates just ratified in item 5. These adjustments are primarily to address cost of energy and revenues.

Public Comment: None

Motion to Approve the Proposed Budget Adjustments to the Fiscal Year 2021-2022 Budget by Director Rogers

Second: Director Bagby

Motion passed by roll call vote

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

10. Integrated Resource Plan (IRP) Reintroduction and Provide Direction as Appropriate

(9:41 a.m. - Video Time Stamp: 00:55:54)

CEO Syphers explained that part of SCP's mission is to lower greenhouse gas emissions. This requires the need to adapt as things change regarding climate change.

Ryan Tracey, Director of Planning and Analytics, reintroduced the Integrated Resource Plan (IRP) and explained IRPs are conducted on a biannual basis with the next IRP Compliance Filing due to the CPUC on November 1, 2022. He explained that SCP performs an internal IRP which sets strategy and internal objectives, aims to make California energy affordable, and makes it possible to be responsive to market conditions.

Director Tracey discussed new items in the IRP including the Ascend PowerSimm platform, the CPUC's Preferred System Plan Decision, the CPUC's Mid-term Reliability Procurement Orders, current trends of the energy market and improved cross-agency planning.

Director Tracey discussed SCP's accomplishments including its Renewable Portfolio Standard. He described SCP's planning framework as having intertwined relationships between meeting SCP's climate and energy cost goals. He added that SCP's program strategies are focusing more on equity



and community needs this year. Ryan Tracey explained that the Community Advisory Committee's feedback included an appetite for rapid construction of renewable sources, and the Committee endorsed a holistic strategy.

Director Rogers encouraged SCP to work with the Sonoma County Regional Climate Protection Authority and investigate funding climate strategies.

Director Hopkins expressed that reliability should be a key component of the IRP.

Director Landman inquired about serving all SCP customers with some version of EverGreen. CEO Syphers explained that emissions would only be lowered slightly, and SCP's focus should be on electric cars and other ways to more affordably and more rapidly cut emissions.

Director Elward inquired as to how soon we can implement new strategies and CEO Syphers expressed that staff shares her urgency and reiterated that SCP would do anything it can.

Director Bagby stated that if SCP has any issues with implementation, staff should bring them to the Board.

Public Comment: None

11. Review Programs Strategic Action Plan and Provide Direction as Appropriate  
(10:29 a.m. - Video Time Stamp: 01:44:17)

Carolyn Glanton, Program Manager, stated that the first iteration of the Strategic Action Plan was in 2018. She continued that the current Plan shows SCP's over-arching strategies, metrics for tracking, incorporates the Programs Equity Framework, and near and long-term actions.

*10:33 a.m. Director Peters exited the meeting.*

Director Hopkins requested a focus on the agriculture sector be included.

Public Comment:

Ken Wells discussed issues with the supply chain and thanked staff for the update.

## **BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS**

(10:47 a.m. - Video Time Stamp: 02:01:46)

None

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

(10:47 a.m. - Video Time Stamp: 02:01:55)

Public Comment: None

**ADJOURN**

(10:47 a.m. - Video Time Stamp: 02:02:26)

The meeting was adjourned by unanimous consent.



## Staff Report - Item 02

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

**From:** Geof Syphers, CEO

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

**Date:** May 5, 2022

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### Requested Action:

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

### Summary of the Item:

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

In order to continue to qualify for AB 361's waiver of in-person meeting requirements, the Board must, within thirty (30) days of its first meeting under AB 361, and every thirty (30) days thereafter, make findings that (a) state or local officials continue to recommend measures to promote social distancing, or that (b) an in-person meeting would constitute an imminent risk to the safety of attendees. This item would extend Resolution 2021-25 by making the necessary findings to permit remote meetings.

### Attachment:

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

**RESOLUTION NO. 2021 - 05**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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


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

*In alphabetical order by jurisdiction*



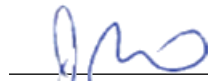
Chair, Sonoma Clean Power Authority

Attest:



Clerk of the Board

APPROVED AS TO FORM:



Special Counsel,  
Sonoma Clean Power Authority

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## **Staff Report - Item 03**

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

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

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

**Date: May 5, 2022**

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### **NEW SCP TEAM MEMBER**

Mid-April, SCP welcomed Chris Golik as our new Revenue Manager. The Revenue Manager is the first finance-focused position with SCP. Chris comes to SCP with over a decade of financial planning and analysis, and we are looking forward to putting his skills to use.

### **ADVANCED ENERGY CENTER**

The word is out about the Advanced Energy Center. We are noticing twice as many guests per week than any other month we have been open. Since our opening, over 2,500 guests have visited. Some recent visitors of note: California Energy Commission's Executive Director Drew Bohan and his family, Congressman Mike Thompson, and a class from Piner High School on a field trip.

The Piner High School students were on a field trip organized and sponsored by SCP and Sonoma Water. They got to play the "Advanced Energy Center Challenge," a game with a fictional scenario related to climate change and puzzles that needed to be solved to complete the challenge.

The Advanced Energy Center's 0% Financing program achieved an exciting milestone the week of April 25th. With close to 50 customers taking advantage of the program, we surpassed \$200,000 dollars in project loans. There are another 29 customers who have applied for financing, but have not yet begun their projects. All of these offerings assist SCP customers to afford their installation of energy efficient appliances.

## **MONTHLY COMPILED FINANCIAL STATEMENTS/BUDGETARY COMPARISON SCHEDULE**

Due to the annual tax season and recent budget adjustments approved by our Board in April, the March financial reports were not completed in time for inclusion in the packet. They will be presented at the next Board meeting.

## **UPCOMING MEETINGS**

- Community Advisory Committee - May 19, 2022 (budget review)
- Board of Directors - June 2, 2022 (Budget approval meeting)
- Community Advisory Committee - June 16, 2022
- Board of Directors - July 7, 2022





## Staff Report - Item 04

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

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

**Issue:** Receive Legislative and Regulatory Updates, Approve Positions on SB 852 (Dodd), SB 1020 (Laird, Atkins) and Provide Direction and Positions on Other Bills as Appropriate

**Date:** May 5, 2022

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### **Requested Action:**

Approve a support position on SB 1020 (Laird, Atkins, Caballero, Durazo). Receive legislative and regulatory updates and provide direction as appropriate.

### **Regulatory Updates:**

#### State Audit finds Utility Wildfire Mitigation Plans Inadequate

An audit issued by the State Auditor on March 24<sup>th</sup> found state agencies approved insufficient wildfire mitigation plans in 2020 and are falling short on enforcing risk-reduction efforts for utility-caused wildfires. The audit found that recently-created Office of Energy Infrastructure Safety ("OEIS") and the California Public Utilities Commission awarded safety certifications to utilities despite serious deficiencies in their 2020 wildfire mitigation plans.

As background, the legislature responded to the wildfires ignited by PG&E's lines in 2017 with AB 1054. This created a pool of funds from customer bills which utilities could access to pay for liabilities incurred by sparking fires. As a condition to access the funds, utilities were required to develop plans detailing how they will mitigate wildfires in their territories. The CPUC and OEIS were charged with reviewing these plans. Only upon certification can the utilities draw from the funding pool.

Specifically, the State Auditor's report found that:

- 1) Of the 40,000 miles of lines in areas with significant fire threat, the utilities made improvements just 1,500 in 2020.
- 2) The utilities did not effectively prioritize the most dangerous areas, and likely instead focused on miles of lines which could most quickly be hardened,
- 3) The CPUC failed to exercise its authority to penalize utilities when their own audits uncovered violations.

Sonoma Clean Power staff will continue to monitor the utilities progress on grid hardening and to advocate for our citizens' right to access a safe and reliable electric grid.

#### PG&E Proposes Significant Rate Increases in Upcoming General Rate Case ("GRC")

PG&E is requesting guaranteed rate recovery of \$15.46 billion dollars in 2023 through its GRC Application. This is an overall increase of \$3.56 billion, a 30% change from current rates. Any approved rate changes would become effective January 1, 2023. If approved, rate increases would be granted for the years 2023, 2024, and 2025. PG&E asserts that 50% of this incremental cost is for wildfire reduction efforts. A summary of the proposed costs is below:

#### **PG&E Proposed Rates via 2023 General Rate Case**

	2022 Adopted	2023 Proposed	% Increase
Electric Distribution	5,514	8,171	48%
Gas Distribution	2,321	2,870	24%
Gas Transmission	1,662	1,989	20%
Electric Generation	2,404	2,431	1%
<b>Total</b>	11,901	15,461	30%

Sonoma Clean Power Staff, working with a coalition of other Northern California CCAs, are developing testimony to be submitted in this proceeding. Our testimony is due June 13<sup>th</sup>, which PG&E has until July 11<sup>th</sup> to respond to. Hearings on this case are scheduled to begin August 15<sup>th</sup>. Our advocacy will continue to fight for the principles adopted by this Board: that the citizens of Sonoma and Mendocino Counties receive safe and reliable service, that our State's climate goals be exceeded or achieved, and that utility shareholders be held responsible for the actions of corporate management.

## Legislative Positions:

Bill	Author	Summary	Position
AB 1814 Transportation electrification: community choice aggregators	Grayson	Withdrawn – Bill would have accelerated local and regional transportation electrification by allowing CCAs to apply for CPUC funding for electric vehicle infrastructure. Sponsor was CalCCA.	Support Bill withdrawn by Author
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 an IOU pathway for solar for communities that have not benefited from current rooftop solar initiatives. Not likely to produce any results, however, because IOUs are attempting to cancel their local solar programs (see AB 2838)	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

<b>Bill</b>	<b>Author</b>	<b>Summary</b>	<b>Position</b>
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 shared renewables (GTSR) 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 852 Climate resilience districts	Dodd	Allows local governments to form Climate Resilience Districts to raise and allocate funds for capital projects addressing climate mitigation and/or adaptation. Specifically recognizes the Sonoma County Regional Climate Protection Authority as a Climate Resilience District.	<b>Recommend Support</b>
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.  ➤ Bill is held in Approps, allowing additional time to work with the Author.	Oppose Unless Amended  Action by Chair and Vice Chair

<b>Bill</b>	<b>Author</b>	<b>Summary</b>	<b>Position</b>
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.	Support
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 1020 Clean Energy, Jobs and Energy Affordability Act of 2022	Laird, Atkins, Caballero, Durazo	Creates interim climate goals for 2035 and 2040 in the electric power sector as well as forms a new state organization to disburse state and federal funding relating to mitigating high energy costs for low-income and disadvantaged communities. See additional details below.	<b>Recommend Support</b>
SB 1112 Energy suppliers: notice and recordation 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	<p>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. Author has closely engaged with SCP and CalCCA to attempt to work out concerns (e.g., could prevent EverGreen service by accident). New language addresses some of SCP's issues, but staff are asking for more clarification to ensure it does not remove CCA procurement autonomy.</p> <ul style="list-style-type: none"> <li>➤ Amendments verbally accepted in the Senate Energy Committee are encouraging, and SCP staff are optimistic about working with the Author to make the bill acceptable.</li> </ul>	Oppose Unless Amended  Author is actively engaging with staff

<b>Bill</b>	<b>Author</b>	<b>Summary</b>	<b>Position</b>
SB 1174 Electricity: resource adequacy requirements: eligible renewable energy or energy storage resources: transmission and interconnection	Hertzberg	The bill originally would have provided 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, and the Author did. It is unclear to staff how the bill still has a purpose, so staff are watching for further changes. 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.	Watch
SB 1230 Zero-emission and near-zero emission vehicle incentive programs: requirements.	Limón	Would make changes to how EV incentives are accessed.	Watch
SB 1287 Electric service providers and community choice aggregators: financial security requirements.	Bradford	Bill is dead.  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. SCP is advocating for some reasonable parts of the bill, such as increasing the minimum bond posting from \$147,000 to \$500,000 and eliminating language that would have allowed CCA bonds to be virtually unlimited and in the billions.	n/a
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

<b>Bill</b>	<b>Author</b>	<b>Summary</b>	<b>Position</b>
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.	Watch
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.	Watch
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.	Watch
SB 1393 Energy: appliances: local requirements	Archuleta	Would create a new requirement for cities and counties wishing to phase out natural gas in new construction to submit plans to the California Energy Commission for approval. Increases the potential for gas advocates to sue and block cities and counties from adopting and implementing reach codes.	Oppose Action by Chair and Vice Chair
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.	Watch
SCR 53 Climate change	McGuire	Resolution declaring the global climate crisis	Support Action by staff

## **New Positions Since the Last Board Meeting:**

### **SB 1393 (Archuleta) CEC Approval for Local Reach Codes - Oppose**

The California Pipes Trade Council is sponsoring a bill to make it more difficult for cities and counties to establish reach codes that phase out the use of fossil methane (natural) gas in buildings. The proposed mechanism is to create CEC guidelines for local ordinances that would ensure cities and counties “consider” various impacts of phasing out methane gas from buildings. In the instance where the CEC determines the local government did not adequately consider the impacts, the local government would have 180 days to cure the problem or the ordinance would be overturned. The tests are quite broad and would make it easier for the natural gas industry or others to sue against the implementation of local ordinances. Since local governments already have a strong interest in protecting the public from unreasonable requirements, and already consider the impacts identifies (e.g., availability of technology, impact on costs, availability of trained installers, etc), and since the bill would make it more difficult for SCP’s member cities and counties to make their own independent determination of the value and need for reach codes, SCP took an oppose position on the bill after consulting with the Chair and Vice Chair.

### **SB 1158 (Becker) New Hourly Greenhouse Gas Reporting Obligation - Oppose Unless Amended**

Senator Becker has met with SCP staff twice to explore revisions to SB 1158 that would ensure his objectives are met without harming SCP’s climate goals. Specifically, Senator Becker is interested in making sure that power providers cannot buy extra solar power at times when it cannot be used (e.g., in May at noon) and report their load as causing no greenhouse gas emissions. Since the launch of EverGreen in 2014, SCP has shared this goal of making sure that claims of 100% renewable power are based on an hourly accounting so that every single hour of the year is supplied with renewable energy.

Staff’s issues with the current bill language are narrow, but include:

- Remove new authority for the CPUC to direct individual CCAs to change their procurement plans;
- Clarify that energy imported into California can be reported as having the greenhouse gas emissions of the actual source, and not on the basis of some average;
- Ensure that any excess renewable energy production from EverGreen sources will continue to have value when those sources offset natural gas fired power plants (e.g., in summer evenings).



## **Proposed Positions:**

### **SB 852 (Dodd) Climate Resilience Districts - Recommend Support**

Staff recommend supporting this bill. It would allow local governments to form Climate Resilience Districts for the purpose of raising and allocating funding for capital projects addressing climate mitigation and/or adaptation. The bill would also immediately recognize that the Sonoma County Regional Climate Protection Authority is a Climate Resilience District.

### **SB 1020 (Laird, Atkins, Caballero, Durazo) Clean Energy, Jobs and Energy Affordability Act of 2022 - Recommend Support**

Staff recommend supporting this bill. Existing law requires all electric providers to reach 100% renewable + carbon-free by 2045. This bill would require certain interim targets of 90% by 2035 and 95% by 2040. The bill would additionally require that state agencies achieve the long-term goals of SB 100 early so that 100% of their energy comes from sources like EverGreen and on-site renewables by 2030.

The second major objective of the bill is to create the California Affordable Decarbonization Authority to operate a new Climate and Equity Trust Fund. The purpose of this new entity is to disburse funds to reduce low-income and disadvantaged customer utility bills as the state works to achieve its decarbonization objectives.

## **Attachments:**

- Senate Committee on Natural Resources Analysis for SB 852 (Dodd), available at [this link](#) or by request to the Clerk of the Board
- Senate Energy Committee Analysis for SB 1020, available at [this link](#) or by request to the Clerk of the Board
- Link to Bill Language for SB 1020, available at [this link](#) or by request to the Clerk of the Board
- Letter Opposing SB 1393 (Archuleta) Energy: Appliances: Local Requirements, available at [this link](#) or by request to the Clerk of the Board
- Letter Opposing Unless Amended SB 1158 (Becker) Retail Electricity Suppliers: Greenhouse Gas Emissions: Integrated Resource Plans, available at [this link](#) or by request to the Clerk of the Board

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## **Staff Report - Item 05**

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**To: Sonoma Clean Power Authority Board of Directors**  
**From: Ryan Tracey, Director of Planning & Analytics**  
**Geof Syphers, Chief Executive Officer**  
**Issue: Receive Geothermal Opportunity Zone Update**  
**Date: May 5, 2022**

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The Geothermal Opportunity Zone (GeoZone) was established by the SCP Board of Directors and the Boards of Supervisors in Sonoma and Mendocino Counties to explore expanding local geothermal power capacity. The purpose of the GeoZone is to develop the resources necessary to allow SCP to stop relying on natural gas power plants altogether. To that end, the GeoZone is seeking to sustain existing local geothermal production and add 500 MW of new geothermal capacity.

Given the activity in the GeoZone initiative, staff is now including regular updates in Board and Committee packets and will also continue to provide updated information and materials at <https://sonomacleanpower.org/geozone>.

To accomplish the goals of the GeoZone, SCP is seeking to form a public-private partnership with geothermal companies to provide technology, experience, and capital. The public-private partnership will be modeled on the partnership developed by Redwood Coast Energy Authority to progress their offshore wind project.

Staff released a Request for Information (RFI) for prospective partners on March 14, 2022. Responses to the RFI were due on April 29, 2022. A team of SCP staff, experienced geologists, a member of a local permit agency, and a representative from the Department of Energy has been assembled to assess proposals. The current objective is to shortlist potential partners in May, and to make a final selection of partners by July.

SCP will then enter negotiations in forming a partnership agreement that will establish expectations for SCP's power offtake and the shared contributions in pursuing GeoZone development.

In parallel to SCP's process, the Department of Energy issued an RFI on April 19 soliciting feedback on attributes and outcomes that should be evaluated in their consideration of recipients for portions of an \$84 million grant from the Bipartisan Infrastructure Law to fund geothermal demonstration sites. The grant is expected to be released later this year. SCP staff is currently planning to issue a response to the RFI, due May 13, to advocate for alignment with the GeoZone objectives (e.g., use of low-water technologies for new capacity). In the likely case that the GeoZone applies for the DOE grant, SCP will seek letters of support from local communities and organizations.



## **Staff Report - Item 06**

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

**From:** Brant Arthur, Programs Manager  
Rebecca Simonson, Director of Programs

**Issue:** Authorize the CEO or his Designee to Execute the First Amendment to an Agreement with the Center for Sustainable Energy to Offer Additional Incentives for Public EV Charging Infrastructure

**Date:** May 5, 2022

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### **Recommendation:**

Staff requests that the Board of Directors authorize the CEO or his designee to execute the first amendment to an agreement with the Center for Sustainable Energy ("CSE") in the amount of \$869,565 to offer additional incentives for public EV charging infrastructure, with staff report outs to the Community Advisory Committee and Board of Directors at a minimum of once per year.

The amendment would allow Sonoma Clean Power ("SCP") to provide incentives to eligible applicants of the Sonoma Coast Incentive Project (CALeVIP) for the installation of electric vehicle DC Fast Charging stations in priority locations (rural, coastal, and low-income multifamily locations). The amendment would add \$869,565 (\$69,565 in administration fees and \$800,000 in customer incentives) and extend the term of the agreement by six months, to June 30, 2024.

### **Background:**

Transportation produces most of the air pollution and greenhouse gas emissions in Sonoma and Mendocino counties. Most of these emissions are created by on-road cars and trucks (as opposed to construction and farm vehicles). Replacing 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.

SCP's initial contract with CSE was approved by the Board on October 3, 2019, for the design and implementation of an electric vehicle charger investment incentive program to encourage the adoption of EVs. The initial term of the contract was through December 31, 2023, with a not to exceed amount of \$1,650,000.

The project is a three-year partnership to provide rebates for the installation of public DC Fast Chargers and Level 2 chargers; with initial funding from the California Energy Commission (\$5,100,000), Sonoma Clean Power (\$1,510,500) and the Northern Sonoma County Air Pollution Control District (\$139,500).

During the planning phase, SCP agreed to move up the planned launch date by three months in response to a request from the California Energy Commission. At the time, SCP expressed concern that the reduced time for community outreach would cause the majority of the DC Fast Charger funding to be reserved by projects located in the incorporated cities along the Highway 101 corridor and not in rural or underserved areas.

When SCP launched the Sonoma Coast Incentive Project (CALeVIP) on July 8, 2020, the project was quickly oversubscribed by \$22M (with \$17.7M just for DC Fast Charging projects). This indicates significant unmet EV charging needs, with many applications waitlisted for installations that could benefit SCP customers.

The concerns over reduced community outreach were justified, with funds reserved for only one public fast charging site along the coast (not counting hotels). An analysis of the funds reserved also showed that the project did not adequately serve charging "deserts" around low-income multi-family housing in cities like Santa Rosa, Rohnert Park, and Petaluma. As of April 2022, the project had 25 applications completed or in progress, representing 41 DC Fast Charging stations and 164 Level 2 ports. There are another 185 applications on the wait list.

### **Discussion:**

In response to input about charging equity from the Community Advisory Committee and Board, and the significant project waitlist and uneven distribution of funded projects, SCP proposes a special incentive to fund eligible projects in two location categories: 1) along highway corridors lacking fast charging to compensate for historical under-investment in rural areas, and 2) in locations near low-income multi-family housing to compensate for historical underinvestment in charging for multi-family housing. SCP staff proposes to name this special incentive program, if approved, "Fast Charge for All".

The special incentive would be available for customers on the CALeVIP waitlist that serve residents living in the target locations. For sites near low-income multi-family housing, SCP proposes to provide outreach and potentially future charging offerings to nearby residents.

The incentive would match the existing DC Fast Charging rebate for the Sonoma Coast Incentive Project:

<b>DCFC Power Level</b>	<b>General Market Rebate (including Unincorporated communities)</b>	<b>Disadvantaged Community (DAC)/Low-Income Community (LIC) Rebate</b>
50 kW - 99.99 kW	Up to \$50,000; or 75% of the total project cost, whichever is less	Up to \$60,000; or 75% of the total project cost, whichever is less
100 kW+	Up to \$70,000; or 75% of the total project cost, whichever is less	Up to \$80,000; or 75% of the total project cost, whichever is less

SCP's Fast Charge for All would have the following program criteria:

- DC Fast Charge installations only.
- Up to \$80,000 of eligible costs per charger, according to table above.
  - At least \$80,000 reserved for Mendocino County.
- Up to two (2) DC Fast Chargers per application.

Site eligibility:

- Must meet all Sonoma Coast Incentive Project requirements.
- Eligible sites must be located in one of two categories:
  - Near a major highway not already served by a DC Fast Charging station (at least 5 miles from an existing fast charging station).
  - Within two miles of multi-family housing receiving HUD assistance.
- Chargers must be connected to an electrical service account that subscribes to SCP's EverGreen service.

- Site must serve the general public and be available 24/7 (e.g., hotels, casinos, car dealerships, etc. are not eligible).
- Must agree to waive collection of Low Carbon Fuel Standard credits.<sup>1</sup>

Fast Charge for All will allow SCP to continue investing in these priority locations for years to come by collecting special Low Carbon Fuel Standard credits for the chargers and reinvesting the revenue from these credits into future public charging and transportation electrification projects.

### **Fiscal Impact:**

The amendment to the CSE contract will add \$869,565 (\$69,565 in administration fees and \$800,000 in customer incentives). The required funds are proposed for immediate approval in the Board's next meeting but would show up in the 2022-2023 fiscal year budget.

The DC Fast Chargers funded through Fast Charge for All are eligible to receive Zero-Emission Vehicle Infrastructure Credits from the California Air Resources Board's Low Carbon Fuel Standard ("LCFS"). Our analysis shows that the revenue from the credits SCP would receive would pay for the SCP incentives in under 5 years. SCP intends to reinvest the revenue from selling these LCFS credits into future transportation electrification and charging infrastructure serving customers. These LCFS credits and EV investments will be tracked and reported out in the annual Strategic Action Plan.

### **Community Advisory Committee Review:**

Committee Member Dowd modified the recommended action by motion, seconded by Committee Member Booth, to read, "Recommend the Board of Directors authorize the CEO or his designee to execute the first amendment to an agreement with the Center for Sustainable Energy in the amount of \$869,565 to offer additional incentives for public EV charging infrastructure, with staff report outs to the Community Advisory Committee and Board of Directors at a minimum of once per

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<sup>1</sup> The California Air Resources Board approved the Low Carbon Fuel Standard (LCFS) regulation in 2009 and began implementation on January 1, 2011. The LCFS is designed to encourage the use of cleaner low-carbon transportation fuels in California. The carbon intensity scores assessed for each fuel are compared to a declining benchmark for each year. Low carbon fuels below the benchmark generate credits, while fuels above the benchmark generate deficits.



year.” The Community Advisory Committee unanimously recommended the Board approve this item at their April 21, 2022, meeting.

**Attachments:**

- Attachment A - First Amended and Restated Professional Services Agreement with Center for Sustainable Energy, available at [this link](#) or by request to the Clerk of the Board

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## **Staff Report - Item 07**

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**To:** Sonoma Clean Power Authority Board of Directors  
**From:** Kate Kelly, Director of Public Relations and Marketing  
**Issue:** Receive Presentation on Spanish Language Focus Group Findings  
**Date:** May 5, 2022

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### **Recommendation:**

Receive a presentation on the summary of findings from recent focus groups conducted in Spanish language.

### **Background:**

As a continuation of market and demographic research being conducted by Sonoma Clean Power to better understand our customers, non-customers and communities, a set of 4 small (qualitative) focus groups were conducted in Spanish language, to obtain feedback, opinions, and attitudes of current customers and those who previously opted out.

The focus groups were conducted in-person, in Spanish language, by a trusted consultant (Hugo Mata, Soluna Outreach Solutions).

The focus groups were audio recorded (but not video recorded), allowing participants to remain anonymous; facilitating trust and optimal comfort/participation.

### **Attachments:**

None

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## Staff Report - Item 08

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**To:** Sonoma Clean Power Authority Board of Directors  
**From:** Claudia Sisomphou, Communications and Engagement Manager  
**Issue:** Review the Empower Action Plan  
**Date:** May 5, 2022

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### **Recommendation:**

Review the plan for implementing the Empower Action Plan. Provide questions and comments for staff to consider.

### **Background:**

Empower is an agency-wide endeavor to improve the relevance, reach, and impact of Sonoma Clean Power's customer and community engagement efforts. This initiative touches all aspects of SCP's work, including, but not limited to, partnerships, incentives, outreach, education, sponsorships, strategic planning, events, and power generation services.

Empower focuses on four areas of improvement:

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

Each area guides SCP in allocating resources, identifying community partners, and targeting underserved and/or impacted customer groups.

Improved engagement efforts will help build trust with the community, increase participation in SCP's programs, and enable SCP to better meet the needs of *all* its customers.

Empower was presented to the Community Advisory Committee during its September 2021 meeting and was an item of discussion at the last four Board of Directors meetings.

### **Plan for implementation:**

#### Step 1. Learn from existing data - *In process*

Staff is reviewing local, regional, and state reports to better understand the demographics of SCP's service territory and where gaps in data and resources exist. SCP is exploring data on public health, air quality, income, language, mobility, race, access to education, internet connectivity, opportunity zones, proximity to grocery stores, and more.

SCP is also looking at how other utilities and public agencies recognize the underserved and vulnerable communities in their service areas.

#### Step 2. Determine priority areas - *In process*

SCP is developing criteria to identify customers and areas for initial outreach and support. These criteria will consider the information learned in Step 1.

The California Public Utilities Commission (CPUC) has done similar work to develop a definition for what is known as "[Environmental and Social Justice \(ESJ\) communities](#)". In ESJ communities, residents are:

- Predominantly communities of color or low-income.
- Underrepresented in the policy setting or decision-making process.
- Subject to a disproportionate impact from one or more environmental hazards.
- Likely to experience disparate implementation of environmental regulations and socio-economic investments in their communities.

These communities also include, but are not limited to:

- Disadvantaged Communities (defined as census tracts that score in the top 25% of CalEnviroScreen 3.0, along with those that score within the highest 5% of CalEnviroScreen 3.0's Pollution Burden but do not receive an overall CalEnviroScreen score).
- All Tribal lands.

- Low-income households (defined as household incomes below 80 percent of the area median income).
- Low-income census tracts (defined as census tracts where aggregated household incomes are less than 80 percent of area or state median income).

SCP may modify the criteria for ESJ communities in Sonoma and Mendocino counties to take into account local data sets, wildfire risk, and a higher-than-average cost of living. Staff are aware there are impacted people and communities in SCP's service territory that currently would not qualify as an ESJ community based on the CPUC's definition. There are also households and small neighborhoods that would not qualify as an ESJ community because they represent a minority of the local area.

A great example of a priority area map was created by Sacramento Municipal Utility District (SMUD): [Sustainable Communities Resource Priorities Map](#).

#### Step 3. Reach out to partners – May/June 2022

SCP will identify organizations and groups who work within the priority areas and with customers who meet SCP's criteria. Staff will build relationships with these organizations and begin to schedule workshops, presentations, and office hours.

#### Step 4. Begin outreach – July 2022/ongoing

SCP will implement the outreach and engagement strategies presented during previous Committee and Board meetings. These efforts include:

- Hosting workshops and presentations in partnership with community groups.
- Holding "office hours" at community centers or public places.
- Attending community events and meetings.

#### **Attachments:**

- Empower Action Plan Presentation Slides

# Empower Action Plan

Presentation to SCP's Board of Directors  
May 5, 2022

1

## Overview

- Presented the purpose of Empower to the CAC and BOD.
- Tracked input and ideas from the Committee, Board, and public.
- Currently seeking feedback on our implementation plan.

2



## Vision

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

3

## Purpose

- Reach and serve *all* of SCP's customers.
- Build trust in the community.
- Let customer needs and input shape our efforts.
- More customer engagement will lead to better offerings and services; and vice versa.

4

## Plan for implementation

1. Learn from existing data.
2. Identify areas of priority in Sonoma and Mendocino counties.
3. Reach out to community organizations & public entities.
4. Begin outreach - hosting workshops and office hours.

5

## Step 1 - Learn from existing data

*In process*

1. Review local and regional reports:
  - Plan Bay Area
  - Portrait of Sonoma County
  - Healthy Mendocino
  - Community Health Assessment
  - Census 2020
2. How are other utilities and public agencies identifying underserved and vulnerable communities?

6

## Step 2 – Determine priority areas

*In process*

1. Develop criteria to identify customers and areas for initial outreach and support.
2. Define Environmental and Social Justice (ESJ) communities for Sonoma and Mendocino counties.

7

## Step 3 – Reach out to partners

*May – June 2022*

1. Find organizations that work with and within SCP's priority areas.
2. Schedule workshop, presentation, and office hours dates.

8

## Step 4 - Begin outreach

*July 2022 - ongoing*

1. Host workshops, forums, and presentations.
2. Be available to provide office hours/visits to organizations.
3. Attend community events.

9

## Building partnerships

Influential groups that have a large reach and audience.

10

## Customer education

Non-partisan public spaces and channels to provide more information about SCP.

11

## Focus on equity

Groups that specifically work with and address the needs of low-to-moderate income, English as a second language, underserved, and impacted communities.

12

## Engaging youth

Groups that focus on empowering and supporting students from K-12 to higher education.

13

## Thank you!

Questions, comments, or ideas?

Email us at [community@sonomacleanpower.org](mailto:community@sonomacleanpower.org)

14



## Staff Report - Item 09

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

**From:** Mike Koszalka, Chief Operating Officer  
Geof Syphers, Chief Executive Officer

**Issue:** Approve a Revision to Financial Policy B.2 Financial Reserves

**Date:** May 5, 2022

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### Recommendation:

Staff is requesting that the Board of Directors approve the attached revision to Sonoma Clean Power's Financial Policy B.2 Financial Reserves.

### Background and Discussion:

Sonoma Clean Power, since its inception in 2014, has taken a conservative approach to cash management as we began building our financial credit and reserves. Two significant reasons are behind this. First, SCP is exposed to significant financial risks in the energy market and is motivated to protect customers from rate shock. Second, SCP has no financial recourse to its members' jurisdictions, and must provide sufficient liquidity and assets to allow purchasing the roughly \$2 billion in supply agreements that are currently outstanding.

Over the last eight years, SCP has built reserves to \$72 million (141 days of expenses based on current FY2021-22 budget as revised by the BOD). In addition, SCP has deferred \$26 million in revenues as an Operating Account Fund.

SCP's current reserve policy designates three categories of reserves: Operating Reserves, Program Reserves and Credit Reserves. Along with the Operating Account Fund, SCP's funds held to financially protect the Agency and its customers are being held in four separate accounts.

Through discussions with credit rating agencies over the last three years, it is apparent that they treat all three reserve accounts as basically one account. In

addition, even though the GASB accounting standards allow SCP to defer revenues for a limited time, SCP has not needed to spend these deferred revenues in the last year due to large increases in energy market prices and the related reduction in the PCIA fee. The threat of the uncertain PCIA still exists, but it would be prudent to recognize those deferred revenues at the end of this fiscal year, while retaining the ability to protect customers from a spike in PCIA in the future. Holding the deferred revenue funds indefinitely is not recommended by our accounting firm.

Staff proposes to update and simplify the reserve policy so that there is one reserve fund. It would have a Minimum Reserve of 180 days of annual expenses. And then also include a Target Reserve of 280 days of annual expenses. This represents a significant increase in the minimum reserve balance (from 120 to 180 days of expenses) and a smaller increase in the target reserve balance (from 250 to 280 days).

Should the net balance at the end of any fiscal year grow beyond the Target Reserve, staff would be directed to use those funds to lower rates or cover customer program incentives in the following fiscal year.

At the end of this fiscal year, staff currently plans to propose that the Board approve recognition of the deferred revenues in the current fiscal year, FY 2021-2022, and to then move these funds into reserves.

### **Fiscal Impact:**

This policy will simplify our reserve policy and clarify that once the Target Reserve funds are met, all additional net income must be returned to customers.

### **Community Advisory Committee Review:**

The Committee members had several clarifying questions and there was a healthy discussion regarding the change in reserves policy. The Committee voted unanimously to recommend the Board approve the new reserves policy.

### **Attachments:**

- Attachment A - Proposed Revised Reserve Policy B.2 Financial Reserves
- Attachment B - Current Board Approved Reserve Policy B.2. Financial Reserves



## **Attachment A**

### **Proposed Revised Financial Policy B.2**

**NOTE: This policy is not in effect  
unless and until it is adopted by  
the SCPA Board of Directors**

### **Financial Policy B.2 (Proposed Revision)**

#### **Financial Reserves**

##### **Purpose**

SCP maintains financial reserves to maintain good standing with rating agencies, provide liquidity when current income is insufficient, protect customers from sudden large changes in rates, and to mitigate energy market risks. This policy governs how financial reserves are built, maintained and used.

##### **Reserve Balances**

- Minimum Reserves: 180 days of the annual budgeted operating expenses.
- Target Reserves: 280 days of the annual budgeted operating expenses.
- Excess Reserves: Any reserve balances in excess of the Target Reserves must be returned to customers through lower rates or program incentives in the following year.

##### **Building Reserves and Rate Setting**

During periods when the Minimum Reserve is not met, SCP shall set rates in a manner to reach the required balance within 2 years.

During periods when SCP's reserves are above the Minimum Reserve but below the Target Reserve, SCP shall set rates to reach the Target Reserve balance within 5 years in a manner that best protects customers from unreasonable rates.

##### **Use of Reserves**

The expenditure of reserve funds requires a vote of the Board of Directors. However, the CEO has the authority to use reserves for operating liquidity in emergency

situations in consultation with the Board Chair and Vice Chair, and such actions must be noticed to the Board of Directors in the next meeting.

### **Investing Reserve Balances**

The investment of reserve funds is governed by Financial Policy B.5 Investments.

## **Attachment B**

### **Current Board Approved Policy B.2**

#### **Financial Policy B.2**

##### **Available Fund Balance, and Operating, Program and Collateral Reserves**

SCP has an Operating Reserve for the purpose of supporting agency credit, a Program Reserve that allows multi-year program funding commitments, and a Collateral Reserve to allow the posting of collateral for energy and related purchases.

SCP shall maintain a minimum of 120 days of cash reserves at all times.

Target balances are:

Operating Reserve	50% of total annual budgeted expenses
Program Reserve	10% of total annual budgeted expenses
Collateral Reserve	10% of annual energy expenditures

Prior to reaching these targets, the following shall apply to Sonoma Clean Power Authority's financial management:

#### 1) Rate Setting and Budgeting:

##### A. Definitions

- i. "Rates" shall mean the Average Retail Generation Rate inclusive of All Fees.
- ii. "Average Retail Generation Rate" is the total revenue collected for generation divided by the total kilowatt-hours of energy sold.
- iii. "All Fees" is the sum of those fees separately charged to SCP customers as determined by the CPUC. Today this includes the Power Charge Indifference Adjustment and Franchise Fee.

##### B. SCP Rates Less Than 2% Above Bundled Service. When SCP can set its Rates to not more than 2% above PG&E's Rates, then a minimum of 3%

of revenues shall be recovered through rates to provide for the Operating, Program and Collateral Reserves.

- C. SCP Rates Between 2% and 7% Above Bundled Service. When SCP sets its Rates between 2% and 7% above PG&E Rates, it shall maintain existing reserves without contribution or expenditure.
- D. SCP Rates More Than 7% Above Bundled Service. When SCP sets its Rates more than 7% above PG&E Rates, it may use funds from reserves to offset customer rates so long as a minimum of 120 days of cash is maintained in reserves at all times.

2) Allocating the Increase in Available Fund Balance, if any:

- A. 75% to Operating Reserves to support credit and mitigate financial risks.
- B. 15% to Program Reserves to support programs that have financial commitments which extend beyond the current fiscal year consistent with SCPA's mission. Program Reserve usage must be authorized by the SCPA Board of Directors with prior review by the Community Advisory Committee.
- C. 10% to the Collateral Reserves to provide a source of collateral for purchasing energy and energy-market products.

Annual Increase in Available Fund Balance shall be determined based on information reported in the annual audited financial statements. Available fund balance at the end of a fiscal year is equal to assets convertible or expected to be converted into cash within 90 days.

When one or two of the reserve targets are met, greater percentages shall be contributed to the unmet target(s) at the Board's direction.

Upon reaching the target balances, rates and budgets shall be set to maintain the target balances.



## Staff Report – Item 10

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

**From:** Mike Koszalka, COO  
Geof Syphers, CEO  
Rebecca Simonson, Director of Programs

**Issue:** Review and Provide Direction on the Draft Annual Budget for Fiscal Year 2022-2023

**Date:** May 5, 2022

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### **Requested Action:**

Review and provide feedback on the Draft Fiscal Year 2022-2023 Annual Budget and Rates.

### **Summary:**

Staff propose a draft budget and rates for Fiscal Year 2022-2023 from July 1, 2022 through June 30, 2023 that:

- Requires no rate changes at the start of the fiscal year on July 1, 2022.
- Maintains total SCP customer bills equal to PG&E bundled customer bills
- Projects overall expenses to increase by slightly less than inflation (4% above FY 21-22)
- Projects an increase in financial reserves sufficient to meet SCP's long-term target (as revised in Item 9) by July 2023.
- Assumes no rate increases all year.

## **Background:**

Staff presents a budget for Fiscal Year 2022-2023 that continues to fulfill SCP's adopted goals for providing electricity from very low greenhouse gas sources, investing in local renewables, operating the Advanced Energy Center and delivering a broad set of programs and services with an increasing focus on previously underserved communities.

From the outset, SCP has held a high standard for its operations - usually far in advance of State requirements, such as creating EverGreen, the nation's first (and still the only) electric supply that provides 100% local renewable energy 24/7 without any reliance on fossil energy sources for any purpose.

From its inception until early 2020, SCP had been able to provide customers lower overall bills each year. This had been achieved by offering significantly lower electric generation rates to all customer classes in order to more than offset the PCIA fee PG&E charges SCP customers. These low generation rates have resulted in tens of millions in customer bill savings since 2014. In May of 2020, SCP had to set rates slightly above PG&E to cover most expenses, with the premium ranging up to 5%. With the April 1, 2022 rate adjustment, the premium cost SCP was charging customers for the past two years was eliminated and customer bills are now equal to PG&E bundled customers' bills.

Once SCP's long-term financial reserve targets are met - possibly by June of 2023 - SCP may be in a good position to provide a small rate savings to customers again, while continuing to supply much cleaner power and extra customer programs.

At the end of FY 19-20, SCP's Board of Directors deferred \$22 million in revenues and set these funds aside (called the Operating Account Fund) with the intent to use them in future periods to protect customers from rate shock due to changes in the PCIA. The Board added another \$4 million at the end of FY 20-21. After a surprising increase in the market price for power caused a large decrease in the PCIA, those funds were not immediately needed. Since it is not prudent to continue to defer recognizing those revenues, staff plans to recommend the Board recognize these funds as revenues at the end of the current fiscal year and move the total increase in net position into reserves.

It is important to note that this forecast is based on the best information available at this time, and that the PCIA fee is extremely difficult to forecast for several reasons. First, the PCIA can be influenced by PG&E's decisions, for example, whether to offer excess resource adequacy (RA) into the market or not. Those decisions impact the

PCIA fee on our customers and are made solely at the discretion of the investors of a company that has a history of working to oppose CCAs. Second, the regulatory rules of how the PCIA is calculated can change rapidly and may continue to change over the coming years. And finally, the PCIA is highly dependent on the market price of natural gas, which itself fluctuates significantly with the commodity price of methane, and natural gas prices are affected by regional and world events (e.g., Texas ice storm, Russia's war on Ukraine, winter temperatures). For these reasons, staff will regularly update the Committee and Board on the PCIA as new information becomes available.

### **Budget Overview:**

The Fiscal Year 2022-2023 draft budget and rates presented in this item seek to:

- Continue to procure a supply portfolio of electricity generation that is at least 30% lower in greenhouse gas emissions than PG&E's portfolio.
- Emphasize customer programs that help cut the use of gasoline and natural gas, as these actions are the faster and least expensive ways to cut greenhouse gas emissions today.
- Expand customer outreach through improved market research and listening to our various communities.
- Expand community education activities.
- Increase emphasis on serving previously underserved communities in SCP's customer programs.
- Promote the Advanced Energy Center and further develop the Center into a valuable community resource.
- Maintain the current level of customer participation and expand customer participation in Evergreen.

### **DRAFT BUDGET:**

The draft budget is presented first in the form that will be used for adoption in June, and then is followed by supplemental information. The budget categories are intentionally general enough to allow some measure of staff discretion, without requiring frequent budget adjustments.

	Rev. 1 Budget FY21-22	PROPOSED Budget FY22-23	
<b>REVENUES &amp; OTHER SOURCES</b>			
Electricity Sales <sup>1</sup> (net of allowance)	191,599,000	244,400,000	Removes cost premium. Equal total bills with PG&E.
EverGreen Premium <sup>2</sup> (net of allowance)	2,074,000	2,312,000	Steady growth is planned.
CEC Grant Proceeds	2,065,000	1,414,000	Continued CEC grant activity through end available funds.
BAAQMD Grant	50,000	0	This grant has ended.
Misc Revenue	0	1,025,000	CPUC funds for program implementation.
Interest Income	840,000	380,000	Continued low interest rates are assumed.
<b>Total Revenues</b>	<b>196,628,000</b>	<b>249,531,000</b>	
<b>EXPENDITURES</b>			
<b>Product</b>			
Cost of Energy and Scheduling <sup>3</sup>	165,468,936	171,380,000	Relatively modest increase is due to SCP's existing purchases.
Data Management	3,198,000	2,677,000	Decrease in cost from contract renegotiation.
Service Fees to PG&E	973,000	979,000	No significant change expected.
<b>Product Subtotal</b>	<b>169,639,936</b>	<b>175,036,000</b>	
<b>Personnel</b>	<b>6,200,000</b>	<b>7,650,000</b>	See details in write-up.
<b>Energy Center, Mktg &amp; Comm</b>	<b>1,350,000</b>	<b>2,557,000</b>	Consolidates many SCP activities. See details in write-up.
<b>Customer Service</b>	<b>363,000</b>	<b>291,000</b>	Some activities move to 'Energy Center, Mktg & Comm'
<b>General and Administration</b>	<b>1,140,000</b>	<b>1,140,000</b>	No change expected.



	Rev. 1 Budget FY21-22	PROPOSED Budget FY22-23	
<b>EXPENDITURES – continued</b>			
<b>Other Professional Services</b>			
Legal	410,000	430,000	No significant change expected.
Regulatory and Compliance	430,000	460,000	No significant change expected.
Accounting	245,000	258,000	No significant change expected.
Legislative	120,000	220,000	GeoZone lobbying added.
Other consultants	225,000	571,000	Added costs for IT, bldg mgmt, HR, GeoZone technical support
<b>Other Professional Services Subtotal</b>	<b>1,430,000</b>	<b>1,939,000</b>	
<b>Industry Memberships and Dues</b>	<b>536,000</b>	<b>560,000</b>	Includes CalCCA and APPA
<b>Programs</b>			
Program Implementation <sup>4</sup>	5,640,000	6,025,000	See Programs Strategic Action Plan for details.
CEC Grant Program <sup>5</sup>	4,000,000	4,180,000	See Programs Strategic Action Plan for details.
<b>Programs Subtotal</b>	<b>9,640,000</b>	<b>10,205,000</b>	
<b>Total Expenditures</b>	<b>190,298,936</b>	<b>199,378,000</b>	
<b>Revenues Less Expenditures</b>	<b>6,329,064</b>	<b>50,153,000</b>	
<b>OTHER USES</b>			
Capital Outlay	1,393,000	600,000	Significant reduction as most furniture and computers already purchased.
<b>Total Expenditures, Other Uses</b>	<b>191,691,936</b>	<b>199,978,000</b>	
<b>Net Increase/(Decrease) in Fund Balance</b>	<b>4,936,064</b>	<b>49,553,000</b>	

Notes on the Draft Budget Table on Previous Page:

1. Revenues from electricity sales are net of the allowance for uncollectible accounts, estimated to be 1.25%.
2. The EverGreen premium covers the incremental cost of EverGreen power above the cost for CleanStart. The rest of the revenues for EverGreen customers appears in the Electricity Sales line item.
3. The Cost of Energy and Scheduling includes NetGreen costs, ProFIT payments, California ISO fees and scheduling as well as all energy and capacity costs.
4. Funds approved by the Board to be loaned to customers through on-bill financing, and funds paid back to SCP, are treated as balance sheet items and are not on the income statement.
5. The difference between the CEC grant proceeds and grant expenses is SCP's cash portion of the matching funds.

Further detail on each of the proposed budget categories follows in the next section.

## **INFORMATION ONLY - SUPPLEMENTAL TO THE DRAFT BUDGET**

### **REVENUES AND OTHER SOURCES:**

The primary source of income is from the retail sale of electricity to CleanStart and EverGreen customers. Customers of both of these services provide all of the Electricity Sales revenue. EverGreen costs 2.5 cents per kWh over the price of CleanStart, and provides 100% renewable energy from sources in Sonoma and Mendocino Counties. The EverGreen premium pays for the purchase of local sources of renewable geothermal and solar, and is not intended to produce surplus income.

The total sales estimate is based on 87% of eligible customers and load participating in SCP. The net financial performance of SCP is not sensitive to small changes in the rate of participation because a majority of expenses are proportional to the load served. In other words, income and expenses generally tend to go up and down together.

Staff estimates uncollectable billings at 1.25%. This is unchanged from last year largely due to the \$3.9 million in State customer arrearage funds SCP received in FY21-22 to help those who couldn't afford to pay power bills during covid.

### **EXPENDITURES:**

#### **Product:**

Cost of Energy and Scheduling includes all of the various services purchased from the power market through our suppliers. This includes 2,251,000 MWh of energy, long term renewable power purchase agreements, ProFIT feed-in-tariff projects, capacity (resource adequacy), short term renewable and carbon free contracts (aka hydropower), scheduling services, CAISO fees, and other miscellaneous power market expenses. The volume of purchased energy is approximately 7% greater than the volume sold because of normal system transmission and distribution losses.

SCP has entered in to renewable and financial hedge contracts with suppliers that will meet approximately 90% of its expected energy requirements through the full fiscal year, meaning that energy costs are reasonably well known, although changes in energy market prices will still have an impact on SCP's costs.

Major amounts of SCP's customer load are also served by customer-owned solar arrays. Small amounts also reduce the load of other SCP customers through NetGreen overproduction. None of this production is reportable on SCP's Power

Content Label, however, because it is treated as a load reduction rather than supply energy under California regulations.

Based on current rates of participation by net-metered customers, the total payout amount forecast for SCP's NetGreen customers is estimated to be about \$510,000 for the fiscal year.

Energy is procured for over 90% of the forecast load through December 2024. The primary price risks are therefore related to forecast error, changes in rates of customer participation, Public Safety Power Shutoffs (PSPS), variable generation output of solar and wind resources, generation curtailment risks, forward pricing peak and off-peak unhedged energy, unprocured resource adequacy, and legislative and regulatory risks (e.g., PCIA fees).

Scheduling Coordinator services are provided by Northern California Power Agency through December 2024. The charges for this service are included together with energy and resource adequacy in the budget. After electric power is scheduled for delivery to customers and ultimately consumed by those customers, the actual electric consumption must be trued up against the forecasted and scheduled energy. This true up occurs through the settlement process, or "settlements." Settlements also entail addressing a number of other market and regulatory requirements. The impact on budgeting is that invoices and credits occur several months (and sometimes up to two years) following a given month of service. Fees charged to SCP by CC Power, the JPA formed with other CCAs to jointly procure power are also included in this budget category as all of those costs are related to procurement.

Data Management is a broad scope of services provided by contract through Calpine Energy Solutions, including billing data validation, bill coordination with PG&E, billing management of special programs (e.g., NetGreen and ProFIT), call center services and billing technical support, customer enrollment database management, move-in/move-out services, CAISO data preparation, WREGIS data preparation, and many support functions related to data reporting. The reduction in this budget category for FY 22-23 is reflective of the price reduction we just obtained from Calpine with our contract extension approved by the Board in April 2022.

Service Fees to PG&E consist of a charge of \$0.35 per account per month (including a \$0.21 per account service fee and a \$0.14 per account meter data management fee). There are also numerous small fees associated with data requests. The fees cover PG&E's costs associated with additional data processing and bill coordination,

and are mandatory and regulated by the California Public Utilities Commission (CPUC).

### **Personnel:**

Personnel costs include direct salaries, benefits, workers compensation premiums, and payroll taxes. We have added employee training and development expenses of 1% of direct labor costs to improve the skills and abilities of our staff. A number of new staff were hired over the past year and their full annual compensation costs were not yet fully reflected in the FY 21-22 expenses. In addition, staff expect to continue to find opportunities to reduce contracting costs through hiring staff to replace contractors, and may add 3-4 additional staff in the coming fiscal year. Staff completed a compensation benchmarking study in 2021 and SCP adjusted some salary ranges and our benefits package to remain competitive, after losing some staff to competing CCAs. In addition, cost of living changes are reflected in the draft budget.

### **Energy Center, Marketing and Communications:**

There is a substantial consolidation of budgets into this category. As SCP nears the end of the CEC Lead Locally grant, budgeting for the Advanced Energy Center was moved from Programs to the respective departments that account for the various types of costs to run the facility and in keeping with GASB accounting rules. Most of the budget increase in this category reflects transfers of funding from other departments as explained below.

- \$80,000 for Industry Specific/Commercial Account support re-allocated from Customer Service budget.
  - Includes sponsoring/supporting efforts and events that support industries which are key economic drivers in our service territory and/or industries which are high users of electricity (wine, ag, cheese, specialty beverage, lumber, dairies, cannabis, hospitality, etc.)
- Discontinuation of separate Advanced Energy Center budget. Expenses now allocated directly to individual budgets on the Sonoma Clean Power side.
  - Examples include hardware, software + programming/upgrades/maintenance (kiosks, TV screens, etc.), retailing and merchandising hardware (poster holders, plex pieces, other displays); includes

consultant work for initial merchandising plan + seasonal/periodic changeouts.

- Consolidation of all educational efforts (classes and trainings at the Advanced Energy Center, ongoing SCP-Sonoma Water Energy Education program in elementary schools, CTE Foundation support) and grants/scholarships (SRJC Spirit of Entrepreneurship Grant, SSU 10,000 Degrees Scholarships, etc.)
- Continuation of the Empower Program (\$40,000)
- Budget to support ongoing bi-lingual Focus Group + Brand Awareness surveys and the addition of bi-lingual Customer Satisfaction + Commercial Account surveys.

In addition to consolidating our community education expenses, the draft budget assumes stepping up efforts to improve and expand customer education as encouraged by Committee and Board members, and from the input we received from several English and Spanish language focus groups SCP completed in the last several months.

SCP will continue to reinforce brand awareness through our consistent marketing, public relations and social media platforms, and will continue to provide leadership within the non-profit sector and the community choice industry.

### **Customer Service:**

The Customer Service budget has decreased to reflect a transfer of community support and events that were previously paid out of Customer Service and consolidating all event, community support and education into the Energy Center, Marketing and Communications budget.

### Customer Noticing

There are several kinds of official mailed notices SCP provides to its customers. Outside of enrollment rollouts, the following notices are mailed out to applicable customers:

- Move-in notice postcard (weekly)
- Move-in notice letter (weekly)
- EverGreen confirmation notices (weekly)
- NetGreen welcome (weekly)

- Opt-out confirmation - immediate notice (weekly)
- Opt-out confirmation - 6-month notice (weekly)
- Late payment notice (monthly)
- Pre-collections notice (monthly)
- Joint Rate Comparison with SCP and PG&E information (annually)
- California Energy Commission's Power Content Label (annually)
- As needed, special rate notices (e.g., NetGreen 2.0 transition)

The budget reflects the approximately 1,250 letters mailed every week plus the required annual mailings.

### **Other Professional Services:**

#### Legal

This covers attorney expenses for general governance plus power supply negotiations and any other legal issues that arise.

#### Regulatory & Compliance

This category includes technical research into CPUC rate cases, resource adequacy, PCIA and other key issues. It includes technical and legal consultants for compliance filing preparation, review, and filings.

#### Accounting

Accounting includes services from two different providers. Maher Accountancy provides the day-to-day accounting for SCP, including generation of financial statements and consolidated reports. SCP also has an outside auditor review our financial statements each year.

#### Legislative

Staff retains a Sacramento legislative lobbyist. These costs also include coverage for tracking and advancing bills in the legislative session that affect SCP and the energy industry directly. The statewide CalCCA trade association continues to allow SCP to track and participate in legislative work that affects CCAs across the state. New in this coming fiscal year are expenses for federal lobbying on the GeoZone.

### Other Consultants

Other Consultant covers costs related to outside services needed for basic internal operations, such as: IT services/repairs, nighttime security for the HQ building and the Advanced Energy Center, administration fees for our insurance benefits and retirement plans, consultants for mandatory training, and the collection agency SCP uses for past-due accounts. Technical consultants for the GeoZone are also included in this category.

### **Industry Memberships and Dues:**

The CalCCA trade association is an important entity for sharing the costs of legislative, regulatory, and analytic work. The association has been instrumental in improving SCP's effectiveness at the CPUC on matters including the PCIA, resource adequacy, and in the legislature on organizing and providing direction to lobbyists and requesting action. A recent CalCCA win involved securing \$3.9 million for SCP customers unable to pay their bills through covid, and proportional amounts for all California CCA customers.

SCP is also a member of the American Public Power Association (APPA). This is a nationwide association of public power entities. They recently added a membership category for CCAs nationwide.

### **Programs:**

The semi-annual Programs Strategic Action Plan recently presented to the Committee and Board details the programs SCP is planning to deliver in the next fiscal year. In addition, the Programs Equity Framework is an enhancement to that plan and will result in new programs and initiatives that will be brought to the Committee and Board for review.

### **Other Uses:**

Capital Outlay is for equipment costing in excess of \$1,000, including computers, printers and furniture.

### **Debt Service:**

SCP currently carries no debt.



**Net Increase/ (decrease) in Available Fund Balance:**

Staff is planning for a substantial net increase in our available fund balance as we are recommending that the Committee and Board prioritize reaching SCP's long-term reserve targets to maintain financial stability in the face of continuing uncertainty with power costs, natural gas prices and the PCIA.

## FOUR-YEAR OUTLOOK:

This four-year outlook is subject to significant changes as new information is available regarding PCIA and the market cost of energy

	PROPOSED Budget FY 22-23	Forecast FY 23-24	Forecast FY 24-25	Forecast FY 25-26
<b>REVENUE AND OTHER SOURCES:</b>				
Electricity Sales (net of allowance)	\$ 244,400,000	\$ 189,361,000	\$ 204,064,000	\$ 212,134,000
Evergreen Premium (net of allowance)	\$ 2,312,000	\$ 2,335,000	\$ 2,359,000	\$ 2,382,000
CEC Grant Proceeds	\$ 1,414,000	\$ -	\$ -	\$ -
Interest Income	\$ 380,000	\$ 360,000	\$ 360,000	\$ 360,000
Miscellaneous revenue	\$ 1,025,000	\$ 1,025,000	\$ 1,025,000	\$ -
<b>Total Revenue and Other Sources</b>	<b>\$ 249,531,000</b>	<b>\$ 193,081,000</b>	<b>\$ 207,808,000</b>	<b>\$ 214,876,000</b>
<b>EXPENDITURES AND OTHER USES:</b>				
<b>Product</b>				
Cost of Energy and Scheduling	\$ 171,380,000	\$ 167,313,000	\$ 175,402,000	\$ 193,245,000
Data Management	\$ 2,677,000	\$ 2,678,000	\$ 2,678,000	\$ 2,678,000
Service Fees to PG&E	\$ 979,000	\$ 979,000	\$ 979,000	\$ 979,000
<b>Product Cost Subtotal</b>	<b>\$ 175,036,000</b>	<b>\$ 170,970,000</b>	<b>\$ 179,059,000</b>	<b>\$ 196,902,000</b>
<b>Personnel</b>	<b>\$ 7,650,000</b>	<b>\$ 7,850,000</b>	<b>\$ 8,072,000</b>	<b>\$ 8,475,000</b>
<b>Energy Center, Mktg &amp; Communications</b>	<b>\$ 2,557,000</b>	<b>\$ 2,390,000</b>	<b>\$ 2,462,000</b>	<b>\$ 2,536,000</b>
<b>Customer Service</b>	<b>\$ 291,000</b>	<b>\$ 300,000</b>	<b>\$ 309,000</b>	<b>\$ 318,000</b>
<b>General &amp; Administration</b>	<b>\$ 1,140,000</b>	<b>\$ 1,241,000</b>	<b>\$ 1,253,000</b>	<b>\$ 1,285,000</b>
<b>Other Professional Services</b>				
Legal	\$ 430,000	\$ 430,000	\$ 430,000	\$ 430,000
Regulatory and Compliance	\$ 460,000	\$ 493,000	\$ 527,000	\$ 564,000
Accounting	\$ 258,000	\$ 267,000	\$ 276,000	\$ 286,000
Legislative	\$ 220,000	\$ 228,000	\$ 236,000	\$ 244,000
Other Consultants	\$ 571,000	\$ 510,000	\$ 528,000	\$ 546,000
Industry Memberships and Dues	\$ 560,000	\$ 580,000	\$ 600,000	\$ 621,000
<b>Programs</b>				
Program Dev. And Impementation	\$ 6,025,000	\$ 7,744,000	\$ 7,850,000	\$ 8,000,000
Program - CEC Grant	\$ 4,180,000	\$ 300,000	\$ -	\$ -
<b>Total Expenditures</b>	<b>\$ 199,378,000</b>	<b>\$ 193,303,000</b>	<b>\$ 201,602,000</b>	<b>\$ 220,207,000</b>
<b>Revenues Less Expenditures</b>	<b>\$ 50,153,000</b>	<b>\$ (222,000)</b>	<b>\$ 6,206,000</b>	<b>\$ (5,331,000)</b>
<b>Other Uses</b>				
Capital Outlay	\$ 600,000	\$ 400,000	\$ 414,000	\$ 428,000
Debt Service	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures, Other Uses</b>	<b>\$ 199,978,000</b>	<b>\$ 193,703,000</b>	<b>\$ 202,016,000</b>	<b>\$ 220,635,000</b>
<b>Net Increase/(Decrease) in Fund Balance</b>	<b>\$ 49,553,000</b>	<b>\$ (622,000)</b>	<b>\$ 5,792,000</b>	<b>\$ (5,759,000)</b>

**Community Advisory Committee Review:**

Committee members had several clarifying questions regarding the draft budget during their meeting on April 21, 2022. They did not indicate any suggestions for change in their first review of the draft budget.

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## **Staff Report - Item 11**

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

**From:** Carole Hakstian, Senior Risk Officer  
Geof Syphers, Chief Executive Officer

**Issue:** Receive General Order (GO) 156 Supplier Diversity Program Update  
Regarding CPUC Approval of Revised Proposed Decision

**Date:** May 5, 2022

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### **Requested Action:**

Receive an update on General Order 156.

### **Update:**

On April 7, 2022, the California Public Utilities Commission (CPUC) approved revisions to CPUC's Supplier Diversity Program in General Order 156 (GO-156). Prior to these most recent changes, GO-156 required power providers to report the amount of money paid to businesses owned and controlled by women, minorities, LGBT and disabled veterans. The recent changes add an optional request to set a voluntary procurement goal for LGBT businesses, add a category for businesses owned and controlled by a disabled person, add a reporting requirement to track the number of board members that identify as women, minorities, disabled veterans, persons with disabilities, and LGBT.

SCP will be required to begin reporting on procurement from business enterprises owned and controlled by persons with disabilities starting with the Annual Report due March 2024 (for 2023 calendar year data) and on workforce and board diversity in March 2023 (for 2022 calendar year data). The CPUC will initiate a stakeholder process to develop reporting requirements to capture workforce and board diversity and SCP will participate in this process through a working group led by CalCCA.

The CPUC incorporated language in the revised decision that acknowledges the limitations faced by public agencies (such as CCAs) due to Proposition 209 when

collecting and reporting diversity data. SCP collaborated with other CCAs and CalCCA to advocate for a new 'Small and Local Business Procurement' category. The CPUC agreed, and the addition of this new category gives CCAs the opportunity to highlight successful partnerships with local contractors and vendors and illustrate SCP's community outreach efforts and engagement. In addition, small and local businesses are much more commonly owned by women and minorities than large corporations.

Proposition 209 states that California government entities cannot discriminate against or grant preferential treatment on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, and public contracting. Thus, SCP is legally prohibited from giving preference to these categories of suppliers but will continue to submit annual reports detailing to what extent we contract with them.