



**AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, JUNE 2, 2022
8:45 A.M.**

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

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

CONSISTENT WITH THE PROVISIONS OF AB 361, MEMBERS OF THE BOARD OF DIRECTORS WILL PARTICIPATE IN THE JUNE 2, 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 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) 757-9417, or by email at meetings@sonomacleanpower.org as soon as possible to ensure arrangements for accommodation.

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

CALL TO ORDER

BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve May 5, 2022, Draft Board of Directors Meeting Minutes (Staff Recommendation: Approve) **pg. - 5**
2. Approve Three Year Professional Services Agreement with S2 Advertising for Comprehensive Media Consulting Services (Staff Recommendation: Approve) **pg. - 13**
3. Approve the Proposed Annual Budget for Fiscal Year 2022-2023 (Staff Recommendation: Approve) **pg. - 15**
4. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. - 29**

BOARD OF DIRECTORS REGULAR CALENDAR

5. 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. - 31**
6. Receive Power Procurement Update (Staff Recommendation: Receive and File) **pg. - 35**
7. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. - 37**
8. Receive Legislative and Regulatory Updates and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. - 57**
9. Approve the Recognition of Deferred Revenue in the Operating Account Fund (Staff Recommendation: Approve) **pg. - 65**

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, MAY 5, 2022
8:45 A.M.**

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

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

CONSISTENT WITH THE PROVISIONS OF AB 361 WHICH SUSPENDED CERTAIN REQUIREMENTS OF THE BROWN ACT, MEMBERS OF THE BOARD OF DIRECTORS PARTICIPATED IN THE MAY 5, 2022, MEETING BY TELECONFERENCE.

CALL TO ORDER

(8:47 a.m. - Video Time Stamp: 00:00:12)

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; Ryan Tracey, Director of Planning & Analytics; Kate Kelly, Director of Public Relations & Marketing; Chris Golik, Revenue Manager; Brant Arthur, Program Manager; Carole Hakstian, Senior Risk Officer; Claudia Sisomphou, Communications and Engagement Manager; and Joshua Nelson, Special Counsel.

BOARD OF DIRECTORS CONSENT CALENDAR

(8:50 a.m. - Video Time Stamp: 00:04:03)

1. Approve April 7, 2022, Draft Board of Directors Meeting Minutes
2. Authorize Extension of SCP Resolution 2021-05 Permitting Remote Teleconference Meetings of the Board of Directors and Community Advisory Committee Pursuant to AB 361

Public Comment: None

Motion to Approve the May 5, 2022, Board of Directors Consent Calendar by Director Bagby

Second: Director Peters

Motion passed by roll call vote

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

BOARD OF DIRECTORS REGULAR CALENDAR

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

(8:51 a.m. - Video Time Stamp: 00:05:23)

Michael Koszalka, Chief Operating Officer, introduced Chris Golik as SCP's new Revenue Manager.

Stephanie Reynolds, Director of Internal Operations, discussed recent notable visits to the Advanced Energy Center including Rep. Mike Thompson and Drew Bohan, Executive Director of the California Energy Commission. She mentioned the Energy Center hosted its first high-school field trip where students from Piner High School participated in the "Advanced Energy Center Challenge." She discussed the 0% financing loan program which has 50 participants and has surpassed \$200,000 in project loans. Director Reynolds then unveiled a SCP EverGreen banner which will be hung at Santa Rosa's Doyle Park, home of the new baseball team, The Santa Rosa Scuba Divers.

Public Comment: None

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

(9:00 a.m. - Video Time Stamp: 00:14:14)

Neal Reardon, Director of Regulatory Affairs, discussed wildfire mitigation plans. He mentioned that the state auditor found that PG&E has not done enough to improve safety and did not prioritize hardening the lines that are

the most dangerous, and that now the state auditor is requiring these areas to be prioritized. He also discussed PG&E's proposed rate increase.

CEO Geof Syphers gave a legislative update. He mentioned he met with Congressman Thompson and Congressman Huffman regarding the GeoZone and met with Governor Newsom regarding a Department of Commerce investigation into tariff evasion that is causing a slowdown in the U.S. solar and battery industry. He discussed SB 1393 (Archuleta) which will require specific tests for city and county reach codes to phase out natural gas, he informed the Board that a letter of opposition has been filed. He discussed SB 1158 (Becker) which would require GHG emissions be reported on a 24-hour basis instead of an annual basis and stated that the author is working with Staff and has been receptive to concerns. He then discussed SB 852 (Dodd) which would allow for climate resilience districts, and for local governments to raise funds for capital projects for climate mitigation and adaptation, and recommended support. He then discussed SB 1020 (Laird, Atkins) and recommended waiting for approval.

Director Peters inquired why Mendocino County was not mentioned in SB 852 and CEO Syphers responded it is because Mendocino County doesn't currently have a government agency to designate as a climate resilience district.

Public Comment: None

Motion to approve position on SB 852 and leave the position on SB 1020 to CEO Syphers' discretion by Director Bagby

Second: Director Rogers

Motion passed by roll call vote

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

5. Receive Geothermal Opportunity Zone Update

(9:27 a.m. - Video Time Stamp: 00:41:33)

Public Comment: None

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

(9:36 a.m. - Video Time Stamp: 00:50:01)

Public Comment: None

Brant Arthur, Program Manager, discussed the proposed amendment to an agreement with the Center for Sustainable Energy to offer up to \$800,000 in special customer incentives for fast EV charging. He stated that the proposed amendment will help fill gaps in funding and will focus funding on level 3 chargers. He explained that this proposal will target specific locations and will require that the stations are connected to EverGreen and be open to the public 24/7. CEO Syphers added that the total amount is already factored into the budget so approval will not require increasing rates.

Director Hopkins would like SCP to work with the EVITP training program for implementation and focus on how to create a just transition while creating jobs. CEO Syphers responded that he would talk with his team to learn more and bring back to the Board.

Motion to 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 by Director Peters.

Second: Director Hopkins

Motion passed by roll call vote

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

7. Receive Presentation on Spanish Language Focus Group Findings

(9:50 a.m. - Video Time Stamp: 01:04:40)

Kate Kelly, Director of Public Relations and Marketing, discussed SCP's findings from the Spanish language focus groups led by Hugo Mata from Soluna Outreach Solutions. She explained that the findings show there is low awareness in the Spanish-speaking community about SCP and it is SCP's goal to build that awareness and leverage collaborations within that community.

Public Comment: None

10:08 a.m. Chair King called a 5-minute recess.

8. Review the Empower Action Plan

(10:13 a.m. - Video Time Stamp: 01:27:16)

10:14 a.m. Director Elward exited the meeting.

Claudia Sisomphou, Communications and Engagement Manager, explained that the Empower Action Plan is an agency wide endeavor that is receiving positive feedback. The Plan is focused on improving outreach to customers in SCP's service territory and organizations throughout the communities.

CEO Syphers asked the Board to help by reaching out to community partners in their jurisdictions. Chair King expanded on CEO Syphers comment by encouraging the Board to also reach out to former members of the BOD and CAC.

Public Comment: None

9. Approve a Revision to Financial Policy B.2 Financial Reserves (Staff Recommendation: Approve)

(10:28 a.m. - Video Time Stamp: 01:49:49)

CEO Syphers explained the reason for proposing a revision to SCP's financial policy is because the policy was created when SCP was in the early stages and had very little in assets, so building cash reserves was critical. Now that SCP is more established and has a credit rating, staff recommends simplifying the policy and aligning it better with the policies of other credit-rated power providers.

Public Comment: None

Motion to approve a revision to Financial Policy B.2 Financial Reserves by Director Landman

Second: Director Rogers

Motion passed by roll call vote

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

ABSENT: Elward

10. Review and Provide Direction on the Draft Annual Budget for Fiscal Year 2022-2023

(10:34 a.m. - Video Time Stamp: 01:48:02)

COO Koszalka explained that he is asking for the Board's input and comments on the upcoming Fiscal Year Budget, which will be reviewed by the

Community Advisory Committee and then brought back to the Board for a final vote of approval. He explained that the budget requires no rate change at the start of the fiscal year. He explained that overall costs are up 4%, and staffing is comparable with similar-sized CCAs. He explained that the Advanced Energy Center and Marketing budgets have increased with the planned outreach budget, but SCP's Customer Service budget has been reduced. COO Koszalka pointed out this budget proposal and forecast are expected to result in helping SCP reach its long-term financial reserve targets within about one year.

Director Slayter requested information regarding the terms of the lease for the Energy Center. He then asked if in-house counsel should be added to personnel and staffing. CEO Syphers responded that he is happy with SCP's existing outside counsel and there is no recommendation by staff to add this, but it is up to the Board.

Public Comment: None

11. Receive General Order (GO) 156 Supplier Diversity Program Update regarding CPUC Approval of Revised Proposed Decision

(10:51 a.m. - Video Time Stamp: 02:05:42)

CEO Syphers informed the Board that the CPUC approved changes to the supplier diversity program regarding LGBTQ and disabled owned businesses, and new reporting for small and local businesses. He thanked Carole Hakstian, Senior Risk Officer, who helped advocate for this small business reporting, noting this is a key way that governments can legally advocate for minority and women-owned business investments.

Public Comment: None

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

(10:56 a.m. - Video Time Stamp: 02:09:57)

Director Peters announced the Blue Economy Symposium would be taking place in Fort Bragg from May 19 to 22, 2022. He also announced that the City of Fort Bragg's lawsuit against Western Railroad succeeded.

Director Hopkins announced that Governor Gavin Newsom's Wildfire Resilience Tour would be taking place on May 6, 2022. She also announced that there

would be a zero-emission expo at Old World Winery which would exhibit electric tractors.

Chair King thanked SCP for being at Petaluma's Butter and Egg Days event.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(11:01 a.m. - Video Time Stamp: 02:15:10)

Public Comment: None

ADJOURN

(11:01 a.m. - Video Time Stamp: 02:15:44)

The meeting was adjourned by unanimous consent.

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Staff Report - Item 02

To: Sonoma Clean Power Authority Board of Directors
From: Kate Kelly, Director of Public Relations, and Marketing
Issue: Approve Three Year Professional Services Agreement with S2 Advertising for Comprehensive Media Consulting Services
Date: June 2, 2022

Requested Board Action

Delegate authority to the Chief Executive Officer to execute a professional services agreement with S2 Advertising for comprehensive media consulting services with a not-to-exceed amount of \$1,826,100 over a three-year term (7/1/22 – 6/30/25).

Discussion

SCP has experience working with S2 Advertising as its consultant for comprehensive media and social media consulting services, and they were selected through a competitive process. The majority of this contract amount is a pass-through for direct placement of multimedia campaigns for SCP (print, radio, TV, digital, outdoor, etc.) The contract also includes social media consulting and campaign management and TV/radio spot, web and social media video development and production.

Fiscal Impact

The cost of this contract was included in the adopted budget, so no change in rates or budget is required. The cost is \$1,826,100 in total, with \$550,700 budgeted for the FY 2022-2023. The costs of this contract are included in the FY 2022-2023 Outreach and Communications budget, and in the four-year outlook for the FY 2023-2024 and FY 2024-2025.

Attachments

- S2 Advertising Agreement for Professional Services Attachments, available at [this link](#) or by request from the Clerk of the Board.

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Staff Report – Item 03

To: Sonoma Clean Power Authority Board of Directors

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

Issue: Approve the Proposed Annual Budget for Fiscal Year 2022-2023

Date: June 2, 2022

Requested Action

Approve the Proposed Fiscal Year 2022-2023 Annual Budget.

Summary

The proposed budget for FY2022-23 has not changed from the draft reviewed in the previous Board meeting. The Community Advisory Committee recommended approval in their meeting of May 19th. Staff's proposed budget for Fiscal Year 2022-2023 from July 1, 2022, through June 30, 2023:

- 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 is recommending the Board recognize these funds as revenues in this Board meeting, which would allow SCP to 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.

PROPOSED BUDGET

The proposed budget is presented first in the form that will be used for adoption, 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	
REVENUES & OTHER SOURCES			
Electricity Sales ¹ (net of allowance)	191,599,000	244,400,000	Removes cost premium. Equal total bills with PG&E.
EverGreen Premium ² (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.
Total Revenues	196,628,000	249,531,000	
EXPENDITURES			
Product			
Cost of Energy and Scheduling ³	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.
Product Subtotal	169,639,936	175,036,000	
Personnel	6,200,000	7,650,000	See details in write-up.
Energy Center, Mktg & Comm	1,350,000	2,557,000	Consolidates many SCP activities. See details in write-up.
Customer Service	363,000	291,000	Some activities move to 'Energy Center, Mktg & Comm'
General and Administration	1,140,000	1,140,000	No change expected.

	Rev. 1 Budget FY21-22	PROPOSED Budget FY22-23	
EXPENDITURES – continued			
Other Professional Services			
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
Other Professional Services Subtotal	1,430,000	1,939,000	
Industry Memberships and Dues	536,000	560,000	Includes CalCCA and APPA
Programs			
Program Implementation ⁴	5,640,000	6,025,000	See Programs Strategic Action Plan for details.
CEC Grant Program ⁵	4,000,000	4,180,000	See Programs Strategic Action Plan for details.
Programs Subtotal	9,640,000	10,205,000	
Total Expenditures	190,298,936	199,378,000	
Revenues Less Expenditures	6,329,064	50,153,000	
OTHER USES			
Capital Outlay	1,393,000	600,000	Significant reduction as most furniture and computers already purchased.
Total Expenditures, Other Uses	191,691,936	199,978,000	
Net Increase/(Decrease) in Fund Balance	4,936,064	49,553,000	

Notes on the Proposed 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 PROPOSED 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
REVENUE AND OTHER SOURCES:				
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	\$ -
Total Revenue and Other Sources	\$ 249,531,000	\$ 193,081,000	\$ 207,808,000	\$ 214,876,000
EXPENDITURES AND OTHER USES:				
Product				
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
Product Cost Subtotal	\$ 175,036,000	\$ 170,970,000	\$ 179,059,000	\$ 196,902,000
Personnel	\$ 7,650,000	\$ 7,850,000	\$ 8,072,000	\$ 8,475,000
Energy Center, Mktg & Communications	\$ 2,557,000	\$ 2,390,000	\$ 2,462,000	\$ 2,536,000
Customer Service	\$ 291,000	\$ 300,000	\$ 309,000	\$ 318,000
General & Administration	\$ 1,140,000	\$ 1,241,000	\$ 1,253,000	\$ 1,285,000
Other Professional Services				
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
Programs				
Program Dev. And Implementation	\$ 6,025,000	\$ 7,744,000	\$ 7,850,000	\$ 8,000,000
Program - CEC Grant	\$ 4,180,000	\$ 300,000	\$ -	\$ -
Total Expenditures	\$ 199,378,000	\$ 193,303,000	\$ 201,602,000	\$ 220,207,000
Revenues Less Expenditures	\$ 50,153,000	\$ (222,000)	\$ 6,206,000	\$ (5,331,000)
Other Uses				
Capital Outlay	\$ 600,000	\$ 400,000	\$ 414,000	\$ 428,000
Debt Service	\$ -	\$ -	\$ -	\$ -
Total Expenditures, Other Uses	\$ 199,978,000	\$ 193,703,000	\$ 202,016,000	\$ 220,635,000
Net Increase/(Decrease) in Fund Balance	\$ 49,553,000	\$ (622,000)	\$ 5,792,000	\$ (5,759,000)



Staff Report - Item 04

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: June 2, 2022

Background

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>.

Public-Private Solicitation

Staff are focused on the formation of a public-private partnership with geothermal companies to provide technology, experience, and capital. Following the close of a solicitation on April 29, a multi-discipline team including staff and experts in geology, air quality, water, geothermal development, business and engineering have completed a detailed review of proposals. This team is currently assessing the technical feasibility of the various proposals.

Following this feasibility assessment, a group of public stakeholders representing labor, environment and environmental justice will be asked to provide input into our community values, and will get a chance to meet the potential private partners. The objective of the stakeholder event is to assess the compatibility of the partners with community values.

The results of the stakeholder event will inform staff's recommendation for a GeoZone partnership, which will be brought to the Board later this summer. 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.

Redwood Coast Energy Authority Memorandum of Understanding

SCP has been using Redwood Coast Energy Authority (RCEA)'s offshore wind project as a guide for GeoZone partnerships. RCEA recognized a valuable energy resource off its coast in 2018 and proactively sought private development partners to design and build an offshore wind project. RCEA has committed to a share of power offtake and provided significant support in community engagement while its private partners have invested in engineering, permitting, and other early stage efforts. The RCEA partnership is currently awaiting an offshore wind lease planned by the Bureau of Ocean Management later this year.

SCP and RCEA have identified a great number of synergies between offshore wind development in Humboldt and geothermal in the GeoZone. In addition to sharing a similar private-public partnership design, both projects could benefit from increased transmission capacity along a shared corridor between the North Coast and Bay Area. Humboldt offshore wind and the GeoZone are also large in scale, provide much-needed intra-seasonal power, and need to overcome the challenges of long lead times, extensive permitting, and dependency on tax incentives and grant funding.

Accordingly, the staff of SCP and RCEA have entered into a Memorandum of Understanding (MOU) to work collaboratively. The MOU's scope includes a commitment to share information on community engagement and public-private partnership, collaborate on transmission-related issues, explore shared funding opportunities, and coordinate communication and advocacy.



Staff Report - Item 05

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: June 2, 2022

Requested Action

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

Summary of the Item

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

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

Attachment

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

RESOLUTION NO. 2021 - 05

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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


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

In alphabetical order by jurisdiction



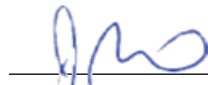
Chair, Sonoma Clean Power Authority

Attest:



Clerk of the Board

APPROVED AS TO FORM:



Special Counsel,
Sonoma Clean Power Authority

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Staff Report - Item 06

To: Sonoma Clean Power Authority Board of Directors

From: Deb Emerson, Managing Director, Power Procurement
Hannah Rennie, Senior Energy Analyst

Issue: Receive Power Procurement Update

Date: June 2, 2022

Staff will provide an update on recent power supply contracting in the meeting.

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Staff Report - Item 07

To: Sonoma Clean Power Authority Board of Directors

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

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

Date: June 2, 2022

ADVANCED ENERGY CENTER

The Advanced Energy Center (Energy Center) has hosted approximately 3000 guests in its inaugural year. Most recently we hosted a high school fieldtrip.

The Energy Center has now assisted with over 350 home improvement projects. 75 of those homes are utilizing the 0% financing program.

Two recent interactions with customers at the Advanced Energy Center:

- While assisting a customer complete their 0% loan application, the customer stated, "I'm going all electric because of you. I came into the store a while ago and what I learned from SCP was what started this process. I thought I would do one thing and ended up doing it all. Thank you!"
- A guest visiting the Advanced Energy Center while a high school field trip was taking place stated, "It's so great that you are working with young people to educate them about climate change!"

At the last meeting, a request was made by a Board member for more detail regarding the Advanced Energy Center lease.

On November 1, 2018 SCP entered into a lease for retail space at 741 4th Street, Santa Rosa. The initial lease term was through October 31, 2021. The base rate was \$11,000 per month for the initial year of the lease, with an annual increase of \$500 per month each year on the lease anniversary date. The initial lease included three extension options of thirty-six months each. In 2021 SCP utilized its first lease extension option and currently has a lease term through October 31, 2024. There

remain two more extension options with a total of six years that we may extend the lease to 2030.

ENERGY EDUCATION PROGRAM

At a recent Community Advisory Committee meeting, Chair Quinlan asked how our educators respond to questions or comments from students and teachers on climate change skepticism. We reached out to SCP's educators at Sonoma Water and they responded that their staff went through a specific training process called NNOCCI which trains educators to navigate difficult climate conversations with skeptics and also young adults who can be overwhelmed and feel powerless.

<https://climateinterpreter.org/content/scientists-take-communication-training>

Some highlights of the training include:

- Be action oriented. Focus on how students can make a difference.
- Be aware of students' age and prior knowledge. Don't present irrelevant or complex info.
- Define climate and distinguish between climate and weather.
- Have easy to understand data or statements ready like: since the industrial revolution, humans have burned more and more fossil fuels (coal, oil, and natural gas), resulting in a build-up of CO₂ in the Earth's atmosphere. This extra CO₂ acts as a "heat-trapping blanket", which disrupts the Earth's climate. Having data is key and has to change based on student age and "skepticism".
- Provide local data when applicable.

Ryan Pedrotti of Sonoma Water also shared, "Once in a while 3rd-5th graders will say something like, "my parent doesn't think humans are the cause," and we try to equip them with relevant info. High school student skepticism mostly involves, "why should I care...." Which leads to an action/solution conversation."

EVs FOR NON-PROFITS

The California Indian Museum and Cultural Center recently purchased an electric vehicle through SCP's Nonprofit EV program to support their statewide work educating the public about the history, culture, and contemporary life of California Indians – and to honor their contributions to civilization. The Museum was founded in 1996 and is based in Santa Rosa. Taking advantage of SCP's \$12,500 EV rebate and free GridSavvy charger is part of the Museum's effort to reduce fossil fuel use and

provide an energy resilient center for the community. You can learn more and schedule a visit at: <https://cimcc.org>

PARTICIPATION RATES

Meters and Participation by TOT

COUNTY	Eligible	SCP	% Part.	% Opt Out
MENDOCINO	38,408	30,664	79.8%	20.2%
FORT BRAGG INC	4,029	3,347	83.1%	16.9%
POINT ARENA INC	345	292	84.6%	15.4%
UNINC MENDOCINO CO	31,293	24,828	79.3%	20.7%
WILLITS INC	2,741	2,197	80.2%	19.8%
SONOMA	225,946	199,310	88.2%	11.8%
CLOVERDALE INC	3,888	3,236	83.2%	16.8%
COTATI INC	3,884	3,524	90.7%	9.3%
PETALUMA INC	27,145	24,181	89.1%	10.9%
ROHNERT PARK INC	19,210	17,132	89.2%	10.8%
SANTA ROSA INC	77,266	68,609	88.8%	11.2%
SEBASTOPOL INC	4,434	4,038	91.1%	8.9%
SONOMA INC	6,444	5,641	87.5%	12.5%
UNINC SONOMA CO	73,720	64,198	87.1%	12.9%
WINDSOR INC	9,955	8,751	87.9%	12.1%
Total	264,354	229,974	87.0%	13.0%

Current EverGreen Enrollment by TOT

COUNTY	SCP Meters	EverGreen Meters	EverGreen %
SONOMA	199,310	3,389	1.70%
SEBASTOPOL INC	4,038	172	4.26%
COTATI INC	3,524	121	3.43%
PETALUMA INC	24,181	580	2.40%
SANTA ROSA INC	68,609	1,155	1.68%
UNINC SONOMA CO	64,198	976	1.52%
SONOMA INC	5,641	80	1.42%
ROHNERT PARK INC	17,132	232	1.35%
CLOVERDALE INC	3,236	24	0.74%
WINDSOR INC	8,751	49	0.56%
MENDOCINO	30,664	408	1.33%
POINT ARENA INC	292	13	4.45%
UNINC MENDOCINO CO	24,828	334	1.35%
FORT BRAGG INC	3,347	41	1.22%
WILLITS INC	2,197	20	0.91%
Total	229,974	3,797	1.65%

MONTHLY COMPILED FINANCIAL STATEMENTS

The year-to-date change in net position is slightly better than projections. Revenue from electricity sales is under budget projections by approximately 2%, and cost of energy is a near match with expectations. Year-to-date electricity sales reached \$145,596,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$95,664,000, which indicates growth. In addition to Net Position, SCP maintains an Operating Account Fund of \$26,000,000 at the end of the period. Approximately \$72,577,000 is set aside for operating reserves.

BUDGETARY COMPARISON SCHEDULE

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

Revenue from electricity sales to customers is slightly under budget at the end of the reporting period. The cost of electricity is more than the budget-to-date by less than 1%. Variation in this account is typically due to fluctuating market cost of energy on open position purchases.

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

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

ATTACHMENTS

March and April 2022 Financials

UPCOMING MEETINGS

- Community Advisory Committee - June 16, 2022
- Board of Directors - July 7, 2022
- Community Advisory Committee - July 21, 2022
- Board of Directors - August 4, 2022



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Sonoma Clean Power Authority

Management is responsible for the accompanying special purpose statement of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended April 30, 2022, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of Sonoma Clean Power Authority.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. Sonoma Clean Power Authority's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
May 24, 2022

**SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Ten Months Ended April 30, 2022**

	2021/22 YTD Amended Budget	2021/22 YTD Actual	2021/22 YTD Amended Budget Variance (Under) Over	2021/22 YTD Actual / Amended Budget %	2021/22 Amended Budget	2021/22 Amended Budget Remaining
REVENUE AND OTHER SOURCES:						
Electricity (net of allowance) *	\$ 149,985,694	\$ 147,169,641	\$ (2,816,053)	98%	\$ 191,599,000	\$ 44,429,359
Evergreen Premium (net of allowance)	1,729,382	1,908,338	178,956	110%	2,074,000	165,662
Inflow from Operating Account Fund Reserves	-	-	-	0%	-	-
CEC Grant	1,720,833	895,797	(825,036)	52%	2,065,000	1,169,203
BAAQMD grant	41,667	(15,575)	(57,242)	-37%	50,000	65,575
Interest income	700,000	275,898	(424,102)	39%	840,000	564,102
Total revenue and other sources	154,177,576	150,234,099	(3,943,477)	97%	196,628,000	46,393,901
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	137,844,665	138,455,365	610,700	100%	165,468,936	27,013,571
Data management	2,664,913	2,621,490	(43,423)	98%	3,198,000	576,510
Service fees- PG&E	810,757	808,403	(2,354)	100%	973,000	164,597
Personnel	5,166,667	4,647,975	(518,692)	90%	6,200,000	1,552,025
Outreach and communications	1,125,000	749,916	(375,084)	67%	1,350,000	600,084
Customer service	302,500	282,395	(20,105)	93%	363,000	80,605
General and administration	950,000	1,023,947	73,947	108%	1,140,000	116,053
Legal	341,667	234,508	(107,159)	69%	410,000	175,492
Regulatory and compliance	358,333	222,157	(136,176)	62%	430,000	207,843
Accounting	209,167	194,320	(14,847)	93%	245,000	50,680
Legislative	100,000	32,000	(68,000)	32%	120,000	88,000
Other consultants	187,500	191,409	3,909	102%	225,000	33,591
Industry memberships and dues	446,667	413,229	(33,438)	93%	536,000	122,771
Program implementation	4,700,000	1,937,794	(2,762,206)	41%	5,640,000	3,702,206
Program - CEC grant	3,333,333	1,122,462	(2,210,871)	34%	4,000,000	2,877,538
Total current expenditures	158,541,169	152,937,370	(5,603,799)	96%	190,298,936	37,361,566
OTHER USES						
Capital outlay	1,160,833	989,476	(171,357)	85%	1,393,000	403,524
Total Expenditures, Other Uses and Debt Service	159,702,002	153,926,846	(5,775,156)	96%	191,691,936	37,765,090
Net increase (decrease) in available fund balance	\$ (5,524,426)	\$ (3,692,747)	\$ 1,831,679		\$ 4,936,064	\$ 8,628,811
<i>* Represents sales of approximately 1,727,000 MWh for 2021/22 YTD actual.</i>						
RESERVES	Current Balance	% of Long-Term Term Target	Long-Term Target Balance			
Operating Reserve	\$ 72,577,000	50%	\$ 145,983,000			

SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
Ten Months Ended April 30, 2022

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ (3,692,747)
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(1,142,989)
Add back capital asset acquisitions	1,011,375
Add back certain program expenses recognized for budget purposes only	(200,000)
Change in net position	<u>\$ (4,024,361)</u>



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Sonoma Clean Power Authority

Management is responsible for the accompanying special purpose statement of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended March 31, 2022, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of Sonoma Clean Power Authority.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. Sonoma Clean Power Authority's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
May 4, 2022

**SONOMA CLEAN POWER AUTHORITY
OPERATING FUND**

**BUDGETARY COMPARISON SCHEDULE
Nine Months Ended March 31, 2022**

	2021/22 YTD Amended Budget	2021/22 YTD Actual	2021/22 YTD Amended Budget Variance (Under) Over	2021/22 YTD Actual / Amended Budget %	2021/22 Amended Budget	2021/22 Amended Budget Remaining
REVENUE AND OTHER SOURCES:						
Electricity (net of allowance) *	\$ 132,375,922	\$ 128,850,943	\$ (3,524,979)	97%	\$ 191,599,000	\$ 62,748,057
Evergreen Premium (net of allowance)	1,551,526	1,739,197	187,671	112%	2,074,000	334,803
Inflow from Operating Account Fund Reserves	-	-	-	0%	-	-
CEC Grant	1,548,750	825,797	(722,953)	53%	2,065,000	1,239,203
BAAQMD grant	37,500	71,250	33,750	190%	50,000	(21,250)
Interest income	630,000	243,083	(386,917)	39%	840,000	596,917
Total revenue and other sources	136,143,698	131,730,270	(4,413,428)	97%	196,628,000	64,897,730
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	125,705,791	126,027,517	321,726	100%	165,468,936	39,441,419
Data management	2,398,374	2,398,524	150	100%	3,198,000	799,476
Service fees- PG&E	729,636	727,495	(2,141)	100%	973,000	245,505
Personnel	4,650,000	4,103,863	(546,137)	88%	6,200,000	2,096,137
Outreach and communications	1,012,500	663,032	(349,468)	65%	1,350,000	686,968
Customer service	272,250	274,195	1,945	101%	363,000	88,805
General and administration	855,000	939,175	84,175	110%	1,140,000	200,825
Legal	307,500	228,477	(79,023)	74%	410,000	181,523
Regulatory and compliance	322,500	188,846	(133,654)	59%	430,000	241,154
Accounting	188,750	178,820	(9,930)	95%	245,000	66,180
Legislative	90,000	24,000	(66,000)	27%	120,000	96,000
Other consultants	168,750	181,665	12,915	108%	225,000	43,335
Industry memberships and dues	402,000	385,880	(16,120)	96%	536,000	150,120
Program implementation	4,230,000	1,847,768	(2,382,232)	44%	5,640,000	3,792,232
Program - CEC grant	3,000,000	1,027,115	(1,972,885)	34%	4,000,000	2,972,885
Total current expenditures	144,333,051	139,196,372	(5,136,679)	96%	190,298,936	51,102,564
OTHER USES						
Capital outlay	1,044,750	846,574	(198,176)	81%	1,393,000	546,426
Total Expenditures, Other Uses and Debt Service	145,377,801	140,042,946	(5,334,855)	96%	191,691,936	51,648,990
Net increase (decrease) in available fund balance	\$ (9,234,103)	\$ (8,312,676)	\$ 921,427		\$ 4,936,064	\$ 13,248,740

* Represents sales of approximately 1,727,000 MWh for 2021/22 YTD actual.

	Current Balance	% of Long-Term Term Target	Long-Term Target Balance
RESERVES			
Operating Cash Reserve	\$ 59,414,000	64%	\$ 92,133,000
Program Cash Reserve	10,882,000	59%	18,426,600
Collateral Cash Reserve	2,249,000	14%	15,943,600
	\$ 72,545,000	57%	\$ 126,503,200

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

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ (8,312,676)
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(1,027,346)
Add back capital asset acquisitions	868,473
Add back certain program expenses recognized for budget purposes only	(200,000)
Change in net position	<u><u>\$ (8,671,549)</u></u>



ACCOUNTANTS' COMPILATION REPORT

Management
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of April 30, 2022, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. Sonoma Clean Power Authority's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
May 24, 2022

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of April 30, 2022

ASSETS

Current assets

Cash and cash equivalents	\$ 51,302,276
Accounts receivable, net of allowance	19,635,569
Other receivables	1,859,202
Accrued revenue	10,255,189
Prepaid expenses	1,223,636
Deposits	4,353,531
Total current assets	88,629,403

Noncurrent assets

Unrestricted cash in Rate Stabilization Fund	26,000,000
Land	860,520
Capital assets, net of depreciation	18,903,491
Deposits	846,256
Total noncurrent assets	46,610,267
Total assets	135,239,670

LIABILITIES

Current liabilities

Accrued cost of electricity	10,757,427
Accounts payable	1,093,358
Other accrued liabilities	1,298,832
User taxes and energy surcharges due to other governments	426,201
Total current liabilities	13,575,818

DEFERRED INFLOWS OF RESOURCES

Rate Stabilization Fund	26,000,000
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NET POSITION

Investment in capital assets	19,764,011
Unrestricted	75,899,841
Total net position	\$ 95,663,852

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Ten Months Ended April 30, 2022

OPERATING REVENUES

Electricity sales, net	\$ 143,687,648
Evergreen electricity premium	1,908,338
Grant revenue	4,362,215
Total operating revenues	<u>149,958,201</u>

OPERATING EXPENSES

Cost of electricity	138,455,365
Contract services	7,759,382
Staff compensation	4,647,975
General and administration	1,572,268
Program rebates and incentives	680,481
Depreciation	1,142,989
Total operating expenses	<u>154,258,460</u>
Operating income (loss)	<u>(4,300,259)</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	275,898
Nonoperating revenues (expenses), net	<u>275,898</u>

CHANGE IN NET POSITION

	(4,024,361)
Net position at beginning of period	<u>99,688,213</u>
Net position at end of period	<u>\$ 95,663,852</u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS Ten Months Ended April 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 145,422,810
Other operating receipts	13,386,225
Payments to electricity suppliers	(145,780,359)
Payments for other goods and services	(9,579,863)
Payments for staff compensation	(4,627,913)
Tax and surcharge payments to other governments	(2,057,776)
Payments for program rebates and incentives	(1,430,817)
Net cash provided (used) by operating activities	<u>(4,667,693)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(3,433,607)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>307,212</u>
Net cash provided (used) by investing activities	<u>307,212</u>

Net change in cash and cash equivalents	(7,794,088)
Cash and cash equivalents at beginning of year	<u>85,096,364</u>
Cash and cash equivalents at end of period	<u>\$ 77,302,276</u>

Reconciliation to the Statement of Net Position

Unrestricted cash and cash equivalents (current)	\$ 51,302,276
Unrestricted cash and cash equivalents (noncurrent)	<u>26,000,000</u>
Cash and cash equivalents	<u>\$ 77,302,276</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF CASH FLOWS (continued)
Ten Months Ended April 30, 2022

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

Operating income (loss)	\$ (4,300,259)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	1,142,989
Revenue adjusted for provision for uncollectible accounts	(521,816)
(Increase) decrease in:	
Accounts receivable	(338,624)
Other receivables	(347,558)
Accrued revenue	(1,276,585)
Prepaid expenses	(113,294)
Deposits	4,754,051
Increase (decrease) in:	
Accrued cost of electricity	(2,309,747)
Accounts payable	(494,390)
Accrued liabilities	(935,333)
User taxes due to other governments	(93,927)
Supplier security deposits	166,800
Net cash provided (used) by operating activities	<u><u>\$ (4,667,693)</u></u>



ACCOUNTANTS' COMPILATION REPORT

Management
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of March 31, 2022, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. Sonoma Clean Power Authority's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
May 4, 2022

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of March 31, 2022

ASSETS

Current assets

Cash and cash equivalents	\$ 61,230,821
Accounts receivable, net of allowance	16,785,563
Other receivables	1,598,391
Accrued revenue	6,363,514
Prepaid expenses	1,203,360
Deposits	4,353,391
Total current assets	91,535,040

Noncurrent assets

Unrestricted cash in Rate Stabilization Fund	26,000,000
Land	860,520
Capital assets, net of depreciation	18,876,233
Deposits	846,256
Total noncurrent assets	46,583,009
Total assets	138,118,049

LIABILITIES

Current liabilities

Accrued cost of electricity	18,187,106
Accounts payable	1,150,772
Other accrued liabilities	1,219,350
User taxes and energy surcharges due to other governments	544,157
Total current liabilities	21,101,385

DEFERRED INFLOWS OF RESOURCES

Rate Stabilization Fund	26,000,000
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NET POSITION

Investment in capital assets	19,736,753
Unrestricted	71,279,911
Total net position	\$ 91,016,664

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

OPERATING REVENUES

Electricity sales, net	\$ 128,850,943
Evergreen electricity premium	1,739,197
Grant revenue	897,047
Total operating revenues	<u>131,487,187</u>

OPERATING EXPENSES

Cost of electricity	126,027,517
Contract services	7,147,672
Staff compensation	4,103,863
General and administration	1,459,834
Program rebates and incentives	635,587
Depreciation	1,027,346
Total operating expenses	<u>140,401,819</u>
Operating income (loss)	<u>(8,914,632)</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	243,083
Nonoperating revenues (expenses), net	<u>243,083</u>

CHANGE IN NET POSITION

	(8,671,549)
Net position at beginning of period	<u>99,688,213</u>
Net position at end of period	<u>\$ 91,016,664</u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS Nine Months Ended March 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 136,966,663
Other operating receipts	9,880,649
Payments to electricity suppliers	(125,699,879)
Payments for other goods and services	(8,663,781)
Payments for staff compensation	(4,106,232)
Tax and surcharge payments to other governments	(1,747,837)
Payments for program rebates and incentives	(1,299,638)
Net cash provided (used) by operating activities	<u>5,329,945</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(3,440,685)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>245,197</u>
Net cash provided (used) by investing activities	<u>245,197</u>

Net change in cash and cash equivalents	2,134,457
Cash and cash equivalents at beginning of year	<u>85,096,364</u>
Cash and cash equivalents at end of period	<u><u>\$ 87,230,821</u></u>

Reconciliation to the Statement of Net Position

Unrestricted cash and cash equivalents (current)	\$ 61,230,821
Unrestricted cash and cash equivalents (noncurrent)	<u>26,000,000</u>
Cash and cash equivalents	<u><u>\$ 87,230,821</u></u>

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

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

Operating income (loss)	\$ (8,914,632)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	1,027,346
Revenue adjusted for provision for uncollectible accounts	(899,117)
(Increase) decrease in:	
Accounts receivable	2,888,685
Other receivables	(57,548)
Accrued revenue	2,615,090
Prepaid expenses	(93,018)
Deposits	4,754,191
Increase (decrease) in:	
Accrued cost of electricity	5,446,511
Accounts payable	(293,584)
Accrued liabilities	(1,334,808)
User taxes due to other governments	24,029
Supplier security deposits	166,800
Net cash provided (used) by operating activities	<u><u>\$ 5,329,945</u></u>



Staff Report - Item 08

To: Sonoma Clean Power Authority Board of Directors

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

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

Date: June 2, 2022

Requested Action

Receive legislative and regulatory updates and provide direction as appropriate.

Regulatory Updates

Net Energy Metering ("NEM") Proceeding Re-Opened

On May 9th, the Administrative Law Judge issued a Ruling re-opening the NEM proceeding.

NEM and Net Billing tariffs are what allow customers with onsite renewable generation – often solar systems on their roofs – to receive financial credits for the energy they produce. The CPUC initially issued a Proposed Decision revising net energy metering 2.0 ("NEM 2.0") and replacing it with "Net Billing" in December 2021. That Decision would have significantly reduced the subsidies provided by all customers to those who participate in NEM, though various mechanisms detailed in the Regulatory Update for the January 6, 2022, Board meeting. The CPUC's modeling estimated that rooftop solar systems would go from providing a ~5 year payback to between 7-13 years for customers to break even on their initial investment. The Proposed Decision was met with strong opposition from a broad cohort of stakeholders, including SCP. In response, the CPUC declined to vote on the proposal and indicated they would give parties more opportunities to provide feedback.

The May 9th Ruling initiates that process and invites stakeholders to respond to 14 questions. Responses to these questions will be used to augment the evidentiary record in the proceeding, which must be relied upon when adopting changes. The questions cover 3 topic areas: how customers should be credited for exporting energy to the grid, what non-bypassable charges NEM customers should pay, and how to continue to support the development of local resources.

Sonoma Clean Power staff are working with other Community Choice Aggregators across the state to respond. We will support a more gradual transition to a balanced Net Billing tariff that encourages the use of onsite solar without placing a disproportionate burden on customers who do not participate. We will also advocate that low-income customers receive enhanced compensation for their systems.

Opening comments are due June 10, 2022. Reply comments are due by June 24, 2022. The proposed schedule for the proceeding envisions a Final Decision by August 4th and closure of NEM 2.0 for new projects as of December 2, 2022.

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. This bill would require EV charging companies to report the days when their equipment is not functioning, and could lead to future legislation requiring more timely repair of charging equipment.	Support Action by Chair and Vice Chair
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

Bill	Author	Summary	Position
AB 2703 Zero-emission fueling station reliability standards	Muratsuchi	Studies the reliability of ZEV refueling stations.	Watch
AB 2838 Electrical corporations: green tariff shared renewables program	O'Donnell	Allows an IOU to terminate a green tariff shared renewables (GTSR) program and to spread the costs to all ratepayers in their service territory. Largest concern is related to setting a precedent for shifting costs from one customer class onto another.	Oppose NEW POSITION Action by Chair and Vice Chair
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
ACR 188 CAISO Regionalization Study	Holden	The proposed resolution would ask the California Independent System Operator to issue a study summarizing the impacts of expanding regional cooperation with Colorado and Nevada on California's climate goals.	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.	Watch
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.	Support

Bill	Author	Summary	Position
SB 881 Load-serving entities: integrated resource plans	Min	Dead. CalCCA successfully killed this bill that would have created new powers for the CPUC to order specific resource procurement for individual CCAs, thus taking away each CCA Board's powers of procurement. This was a major victory in sustaining our ability to accelerate solutions to the climate crisis, especially when considering that the CPUC's own Reference System Plan has high greenhouse gas emissions than SCP's existing portfolio.	Oppose Action by Chair and Vice Chair BILL IS DEAD
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. Concerns are narrow, but include a provision that State agencies would be ineligible for EverGreen because they would only be allowed to buy power from resources that were constructed after the date the bill was signed into law. This would require all electric providers in the State to develop entirely new portfolios solely for state agencies, which is pointless and expensive.	Board delegated authority to staff to take a position when valuable
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

Bill	Author	Summary	Position
SB 1158 Retail electricity suppliers: greenhouse gas emissions: integrated resource plans	Becker	Would change reporting requirements for GHG emissions to a 24/7 structure, but also prevent CCAs from receiving credit for improving system reliability and lowering total California GHG emissions. Author has closely engaged with SCP and CalCCA to attempt to work out concerns, but language remains that would require all battery storage dispatch to be reported as increasing GHGs even when decreasing actual GHGs.	Oppose Unless Amended Author is actively engaging with staff
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

Bill	Author	Summary	Position
SB 1328 Prohibited investments and contracts: Russia and Belarus.	McGuire	Prohibits California State investments in Russia and Belarus in response to Russia's war on Ukraine.	Support Action by staff in response to guidance by Board
SB 1340 Property taxation: new construction: active solar energy systems and nonqualified active solar energy systems.	Hertzberg	Would extend the deferral of property tax reassessments for commercial properties having solar arrays.	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. CSAC has proposed language that would completely remove the CEC's jurisdiction and convert the bill to one where the CEC must provide technical support to local cities and counties, -- language that, if taken, would allow SCP to go neutral.	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

Bill	Author	Summary	Position
SCR 53 Climate change	McGuire	Resolution declaring the global climate crisis	Support Action by staff

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
- Letter of Support Mendocino Transit Authority Submission Low or No Emission, available at [this link](#) or by request to the Clerk of the Board
- Letter Supporting AB 2061 (Ting), available at [this link](#) or by request to the Clerk of the Board
- Letter Opposing SB 881 (Min), available at [this link](#) or by request to the Clerk of the Board



Staff Report - Item 09

To: Sonoma Clean Power Authority Board of Directors

From: Geof Syphers, Chief Executive Officer
Michael Koszalka, Chief Operating Officer

Issue: Approve the Recognition of Deferred Revenue in the Operating Account Fund

Date: June 2, 2022

Recommendation

Approve the recognition of \$26 million dollars in deferred revenue that Sonoma Clean Power is holding as the Operating Account Fund in the current FY 2021-22 budget year.

Background

One of the objectives of Sonoma Clean Power's service to our customers is to financially plan to protect our customers from the shock of rapid increases to their electricity bills. The source of potential shocks is primarily from the uncertainty in the exit fee our customers pay to PG&E by being a CCA customer: the PCIA. To that end the Board deferred \$22 million in revenues at the end of FY2019-20 into an Operating Account Fund. The plan was to use this fund to support customer rates with the expected increases in the PCIA in the years following that deferral. Natural gas prices remained high thus deferring the increase in the PCIA. Then at the end of FY 20-21 SCP was able to defer another \$4 million into the Operating Account Fund.

Discussion

The Operating Account Fund currently stands at \$26 million. GASB accounting rules allow for deferring revenues for a time, providing the reason for the deferral remains. Although the PCIA uncertainty is still a risk to customers' total billings, current forecasts do not show PCIA rising quickly in the near term.

Staff is recommending that the Board approve recognizing the \$26 million in the Operating Account Fund as revenues in the current fiscal year, FY 2021-22. Staff will come back to the Board after the end of this fiscal year with a recommendation regarding a contribution to reserves.

Fiscal Impact

This action does not affect customer rates or bills and accelerates achievement of the Board's long-term reserve fund target. Once the long-term reserve targets are met - possibly by June 2023 - it will be possible to stop building reserve funds and lower customer rates.