



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

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

RE CORONAVIRUS COVID-19

CONSISTENT WITH THE PROVISIONS OF AB 361, MEMBERS OF THE BOARD OF DIRECTORS WILL PARTICIPATE IN THE JUNE 7, 2022, MEETING BY TELECONFERENCE. IN-PERSON PARTICIPATION BY THE PUBLIC WILL NOT BE PERMITTED AND NO PHYSICAL LOCATION FROM WHICH THE PUBLIC MAY ATTEND THE MEETING WILL BE AVAILABLE. REMOTE PUBLIC PARTICIPATION DETAILS ARE LISTED BELOW.

Members of the public who wish to participate in the Board of Directors Meeting may do so via the following webinar link or teleconference call-in number and meeting code:

- Webinar link: <https://us06web.zoom.us/j/88546704126>
- Telephone number: 1 (253) 215-8782
 - Meeting ID: 885 4670 4126

PLEASE NOTE: 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 June 2, 2022, Draft Board of Directors Meeting Minutes (Staff Recommendation: Approve) **pg. - 5**
2. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. - 11**
3. Approve Additional Funding for the Existing On-Bill Finance Assistance Pilot Program and Delegate Authority to the CEO to Negotiate, Execute, and Amend a Professional Services Agreement for On-Bill Finance Administrator Agreement for a Not-to-Exceed Amount of \$139,643 through June 30, 2023 (Staff Recommendation: Approve) **pg. - 13**
4. 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. - 17**
5. Adopt a Resolution Setting a Date, Hour, and Place for Regular Meetings (Staff Recommendation: Approve) **pg. - 21**

BOARD OF DIRECTORS REGULAR CALENDAR

6. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. - 25**
7. Receive Legislative and Regulatory Updates and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. - 39**
8. Approve the Continued Use of New Customer Rates Effective July 1, 2022 (Staff Recommendation: Approve) **pg. - 47**
9. Receive Presentation on Brand Awareness Survey Findings (Staff Recommendation: Receive and File) **pg. - 49**

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, JUNE 2, 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 JUNE 2, 2022, MEETING BY TELECONFERENCE.

CALL TO ORDER

(8:48 a.m. - Video Time Stamp: 00:02:37)

Chair King called the meeting to order.

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

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Stephanie Reynolds, Director of Internal Operations; Rebecca Simonson, Director of Programs; Ryan Tracey, Director of Planning & Analytics; Deb Emerson, Director of Power Procurement; Hannah Rennie, Senior Energy Analyst; and Joshua Nelson, Special Counsel.

BOARD OF DIRECTORS CONSENT CALENDAR

(8:50 a.m. - Video Time Stamp: 00:03:45)

1. Approve May 5, 2022, Draft Board of Directors Meeting Minutes
2. Approve Three Year Professional Services Agreement with S2 Advertising for Comprehensive Media Consulting Services
3. Approve the Proposed Annual Budget for Fiscal Year 2022-2023
4. Receive Geothermal Opportunity Zone Update

Public Comment: None

Motion to Approve the June 2, 2022, Board of Directors Consent Calendar by Director Bagby

Second: Director Peters

Motion passed by roll call vote

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

ABSENT: Elward, Fudge

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

(8:51 a.m. - Video Time Stamp: 00:05:32)

Chair King requested this item be moved to the regular calendar, so the Board may discuss bringing in-person meetings back to SCP. He stated that his preference is a hybrid option.

Director Rogers stated that the City of Santa Rosa has been meeting in person for a year and inquired whether staff is prepared to go back to in-person meetings. Stephanie Reynolds, Director of Internal Operations, responded that SCP staff had been working on the transition to hybrid meetings and will be ready as soon as the Board gave direction.

Director Peters expressed wanting live, in-person meetings. He stated remote meetings lack the personal one-on-one rapport.

Director Hopkins said she supports returning to in-person meetings but supports the hybrid model and expressed an interest changing the Board meeting time to 9:00 a.m. Chair King expressed support for starting meetings at 9:00 a.m.

Director Felder stated that the City of Sonoma has gone to in-person meetings, but it is receiving some pushback and he would like SCP to reserve the right to move to hybrid meetings.

Director Bagby explained that hybrid meetings are "live" meetings and the idea of going to 100% in-person meeting only is not realistic. She explained

that outlying constituents appreciate the ability to call in and that society is shifting away from an in-person format. She said we should move forward with the hybrid format.

Director Landman explained he was for anything that worked if there was quality participation. He also warned that we should watch where COVID-19 numbers are and move into a hybrid format with flexibility.

Director Gjerde supported a hybrid model because it allows for the greatest flexibility.

Director Peters expressed that he is not opposed to the hybrid model but inquired if meetings could be held in service territories.

Public Comment: Denis Quinlan mentioned that the Community Advisory Committee would like to have their next meeting on June 16, 2022, via Zoom.

Motion to authorize the extension of SCP Resolution 2021-05 Permitting Remote Teleconference Meetings of the Board of Directors and Community Advisory Committee Pursuant to AB 361 by Director Bagby

Second: Director Peters

Motion passed by roll call vote

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

6. Receive Power Procurement Update

(9:17 a.m. - Video Time Stamp: 00:31:15)

CEO Geof Syphers introduced 3 new power supply procurements to the Board.

Hannah Rennie, Senior Energy Analyst, discussed the Tubbs Island Storage and Solar Project which will be operational on May 30, 2024, and will be a 20-year fixed price contract. She added that this is an EverGreen project and will be located near Sonoma Raceway.

Deb Emerson, Director of Power Procurement, announced the Fish Lake Project and the Ormat Portfolio Project. She said the Fish Lake Project will be operational in 2024 and the projects are both 20-year fixed price contracts.

Director Slayter asked for a historical prospective on fixed term costs. Director Emerson responded that it depends on technology and there are limited geothermal resources available.

Director Rogers asked what the importance of battery storage is. CEO Syphers responded that battery storage helps match SCP's supply with the load. Director Emerson also responded that while capacity value for solar alone is dwindling, with battery storage it is more valuable.

Director Bagby asked what level of investment is needed in material science and battery technologies. CEO Syphers answered that it is important to have diverse option and batteries are a very important part of that.

Director Landman requested that the slide presentation for this item be sent to the Board.

Public Comment: None

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

(9:38 a.m. - Video Time Stamp: 00:52:26)

Stephanie Reynolds, Director of Internal Operations, gave Advanced Energy Center updates and stated that the Energy Center has had 3,000 visitors, exceeding the goal previously set. She mentioned the Energy Center had hosted end of the year field trips from local schools and then pointed out SCP participation numbers.

CEO Syphers discussed SCP's staff receiving an update on energy poverty from Eric Scheier, SCP's new Department of Energy Fellow. CEO Syphers explained that the Integrated Resource Plan calendar had shifted due to new regulations, and he told the Board that Ryan Tracey, Director of Planning and Analytics, will bring an update in the future. He mentioned that an error was found in reporting on the reserve balances section, but the actual financial statements were correct. A report on actions to correct the error will be brought to the next meeting.

Director Gjerde asked about long-term balances and what are the benefits of those reserves. CEO Syphers explained that the benefits are related to sustaining strong credit to obtain lower cost supply contracts for customers and to mitigate against energy market volatility.

Public Comment: None

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

(9:50 a.m. - Video Time Stamp: 01:04:06)

CEO Syphers then gave a legislative update. He mentioned AB 881 (Min) was killed. He stated that SCP was continuing to work with the author on SB 1158 (Becker) and is hopeful many of SCP's issues can be worked out.

Director Slayter inquired about AB 3250 which would subsidize classic vehicles to become EVs. CEO Syphers replied he would confer with staff on the bill. Director Slayter mentioned that the EPA has opened the comment period on their cross-state pollution rule and CEO Syphers responded that SCP hasn't been following the issue, but SCP can review.

Chair King asked if there was any update on SB 1393 (Archuleta). CEO Syphers updated that the California State Association of Counties had asked the author to remove natural gas requirement portions and the bill may get pulled.

Public Comment: None

9. Approve the Recognition of Deferred Revenue in the Operating Account Fund

(10:00 a.m. - Video Time Stamp: 01:14:40)

Michael Koszalka, Chief Operating Officer, stated that there was \$26 million in deferred revenue. The reason for the deferral was PCIA risk and after the current fiscal year, the funds will be moved into reserves.

Motion to Approve the Recognition of Deferred Revenue in the Operating Account Fund by Director Bagby

Second: Director Rogers

Motion passed by roll call vote

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

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

(10:04 a.m. - Video Time Stamp: 01:17:46)

Director Bagby thanked Deb Emerson and Hannah Rennie for bringing Item 6 to the Board.

Director Hopkins thanked departing staff member, Willy Linares, Marketing Coordinator, for all his service to SCP.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(10:05 a.m. - Video Time Stamp: 01:19:48)

Public Comment: Dick Dowd stated that he was impressed with SCP's financial status.

ADJOURN

(10:07 a.m. - Video Time Stamp: 01:21:30)

The meeting was adjourned by unanimous consent.



Staff Report - Item 02

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: July 7, 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. A subsequent round of interviews offered the evaluation team the opportunity to ask detailed questions to ascertain technical and financial viability.

Ultimately, the evaluation team recommended three finalists to proceed to a final stakeholder engagement round. The three finalists participating in the stakeholder engagement round include the following proposals:

- **Eavor Technologies** - A Canadian geothermal technology company proposes to use its Advanced Closed Loop (ACL) Eavor Loop technology in the

GeoZone. Eavor Loop involves drilling and connecting two deep multilateral wellbores to circulate fluid through deep granitic base rock. The fluid flows through a heat exchanger at surface connected to a binary power cycle that is also closed-loop with no operational emissions. Eavor's technology can target areas without permeability or water as long as heat and rock conductivity are present.

- **Chevron New Energies** - A subsidiary of Chevron proposes to develop 500-700 MW of new geothermal capacity through a staged development plan including exploration wells, pilots, conventional geothermal projects, and Enhanced Geothermal Systems (EGS) and Advanced Closed Loop (ACL) development. Chevron New Energies plans to deploy its subsurface modeling expertise, well factory approach to cost reductions, financing capability, and California operating experience to achieve GeoZone objectives.
- **Cyrrq Energy** - An established geothermal operator and development company in the Western US proposes to deploy thermal storage technology at existing or new geothermal resources at the Geysers. Thermal storage is heated from electric power during hours when the grid has significant solar production, and then the storage is dispatched to superheat the steam of geothermal plants to run the turbines more efficiently and reshape power supply to better match hourly market demand—improving the financial viability and flexibility of geothermal power.

Stakeholder Engagement

The three finalists participated in a stakeholder engagement event SCP hosted on June 28. SCP invited a group representing labor, environment, environmental justice, and local government to meet the potential private partners and provide early pre-project input into our community values.

Staff is preparing a detailed summary of the stakeholder engagement event. The meeting summary, along with presentations from the finalists and feedback received following the meeting, will be posted on SCP's website at <https://sonomacleanpower.org/geozone> by mid-July.

The results of the stakeholder event will inform staff's recommendation for a GeoZone partnership, which will be brought for recommendation to the Community Advisory Committee and Board of Directors 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.



Staff Report - Item 03

To: Sonoma Clean Power Authority Board of Directors

From: Chad Asay, Director of the Advanced Energy Center

Issue: Approve Additional Funding for the Existing On-Bill Finance Assistance Pilot Program and Delegate Authority to the CEO to Negotiate, Execute, and Amend a Professional Services Agreement for On-Bill Finance Administrator Agreement for a Not-to-Exceed Amount of \$139,643 through June 30, 2023

Date: July 7, 2022

Requested Board Action

Approve additional funding for the existing On-Bill Finance Assistance Pilot Program and delegate authority to the Chief Executive Officer or his designee to negotiate, execute, and amend a Professional Services Agreement ("PSA") with Frontier Energy Inc ("Frontier") using SCP's standard form PSA with the attached scope of work (Exhibit A) and Fee Schedule (Exhibit B), for an amount not to exceed \$139,643 through June 30, 2023. This work is for SCP's On-bill Finance Assistance pilot program to establish a service for SCP residential customers to purchase and install approved technologies through the Advanced Energy Center.

Background

SCP was awarded the California Energy Commission's EPIC Grant 17-304 to, among other things, establish the Advanced Energy Center (Center) in order to speed deployment of market-ready energy efficiency technologies.

In addition to the CEC grant's expectation to establish the physical Advanced Energy Center, the Lead Locally team also proposed in the grant application to explore innovative ways to overcome financial barriers to stimulating the energy efficiency market in our area through an on-bill finance program. Although it is not a grant requirement, by establishing this pilot program SCP will assist in stimulating markets for these technologies.

In June 2020, the Board approved the pilot program and authorized the CEO to execute a PSA with Frontier. The term date was extended to June 30, 2022, without increasing the not to exceed amount at that time due to Frontier ability to bill that administrative work towards the CEC grant for that period.

Discussion

On-bill Finance Program

The On-bill Finance Program (OBF) program will be offered to SCP residential service customers in good standing to fund the cost of purchasing and installing eligible energy efficient equipment. The OBF program is designed to assist in the stimulation and deployment of the energy efficient (EE) technology marketplace both online and physically through the Advanced Energy Center (AEC). The OBF program will allow qualified customers to receive zero percent (0%) interest, no-fee, unsecured financing for eligible improvement(s).

Financing is available to qualified customers for up to one hundred percent (100%) of the actual installed cost of approved improvement(s), less rebates or incentives received by customer from SCP under eligible programs). The maximum loan amount available per service account is ten thousand dollars (\$10,000). The maximum loan term for a customer is ten (10) years.

Program Administrator

Program administrator (Frontier Energy Inc., on behalf of SCP); supports marketing at SCP's direction; oversees installer/ contractors' installations at customers' locations per SCP-approved OBF Applications and Agreements; resolves customer and installer/ contractor issues; approves installations; reports on-bill charge to SCP/billing agent; coordinates data collection. Work is to be billed on a per project basis with an increased project cost should a change order occur.

The term of the contract is through June 30, 2023, with a not-to-exceed amount of \$139,643.

Fiscal Impact

Staff is requesting \$139,643 for the Frontier Energy agreement. The Frontier Energy administrative fee will come out of the FY2022-23 budget.

Attachments

- The Professional Services Agreement for the Sonoma Clean Power Authority with Frontier Energy for the On-bill Finance Administrator Agreement, available at [this link](#) or by request to the Clerk of the Board

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Staff Report - Item 04

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: July 7, 2022

Requested Action

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

Summary of the Item

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

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

Attachment

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

RESOLUTION NO. 2021 - 05

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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


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

In alphabetical order by jurisdiction



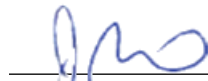
Chair, Sonoma Clean Power Authority

Attest:



Clerk of the Board

APPROVED AS TO FORM:



Special Counsel,
Sonoma Clean Power Authority

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Staff Report - Item 05

To: Sonoma Clean Power Authority Board of Directors
From: Stephanie Reynolds, Director of Internal Operations
Issue: Adopt a Resolution Setting a Date, Hour, and Place for Regular Meetings
Date: July 7, 2022

Recommendation:

Adopt Resolution Setting a Date, Hour, and Place for Regular Meetings.

Background:

Section 54954(a) of the California Government Code states that legislative bodies shall provide, by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body, the time and place for holding regular meetings. The Board of Directors adopted Resolution Nos. 2021-07 and 2018-03 establishing a time and place for regular meetings of the Board of Directors. This is currently 8:45 am on the first Thursday of each month at the Sonoma Clean Power Authority Headquarters (431 E St., Santa Rosa CA, 95404).

Discussion:

At its June meeting, the Board of Directors discussed transitioning to hybrid meetings. As part of this discussion, the Board requested an item be brought forward to modify the time of its regular meetings from 8:45 a.m. to 9:00 a.m. The attached resolution would make this change. If adopted, the Board's regular meeting would be held on the first Thursday of each month at 9:00 a.m., at the Sonoma Clean Power Authority Headquarters (431 E St., Santa Rosa CA, 95404). This change would take effect beginning with the August, 2022 Board meeting.

While not explicitly set forth in the draft resolution, it does not affect the Board's ability to utilize AB 361. The Board retains the ability to conduct hybrid or fully remote

meetings under AB 361 as long as permitted under that law in response to the COVID-19 pandemic and statewide declaration of emergency.

Attachments:

- Draft Resolution 2022-02 Setting a Time and Place for Regular Meetings

RESOLUTION NO. 2022 - 02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA CLEAN POWER AUTHORITY SETTING A TIME AND PLACE FOR REGULAR MEETINGS

WHEREAS, section 54954(a) of the California Government Code states that legislative bodies shall provide, by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body, the time and place for holding regular meetings; and

WHEREAS, Section 4.8 of the Third Amended and Restated Joint Powers Agreement Relating to and Creating the Sonoma Clean Power Authority dated October 13, 2016 provides that the date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board of Directors; and

WHEREAS, the Board of Directors did duly pass and adopt Resolution Nos. 2018-03 and 2021-07, which established the time and place for regular meetings of the Board of Directors at the Sonoma Clean Power Authority; and

WHEREAS, the Board of Directors now wishes to amend the time of its regular meetings so that they will be held on the first Thursday of each month at 9:00 a.m. at the Sonoma Clean Power Authority Headquarters.

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the Sonoma Clean Power Authority:

- Section 1. That the foregoing recitals are true and correct and a substantive part of this Resolution.
- Section 2. Commencing in August 1, 2022, the date, hour, and place for regular meetings of the Board of Directors as follows:
Date & Hour: First Thursday of each month at 9:00 AM.
Place: Sonoma Clean Power Headquarters, 431 E Street, Santa Rosa CA, 95404
- Section 3. That Resolution No. 2021-07 is hereby repealed in its entirety.
- Section 4. That the provisions of this Resolution shall become effective upon adoption.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

DULY ADOPTED this 7th day of July 2022

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

In alphabetical order by jurisdiction

David King, Chair, Sonoma Clean Power

Authority

Attest:

Darin Bartow, Clerk of the Board

APPROVED AS TO FORM:

Joshua Nelson, Special Counsel,
Sonoma Clean Power Authority



Staff Report - Item 06

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: July 7, 2022

ADVANCED ENERGY CENTER

The Energy Center has now assisted with over 400 home improvement projects. Almost a quarter of those homes are utilizing the 0% financing program.

We recently hosted students from the Mike Hauser Academy, members of the Sonoma Bike Coalition, AIA Redwood Empire, Next Gen Trades Academy, held a celebrate Community Legacy Fund meeting, and a GeoZone Public Engagement meeting. We have also offered classes on the benefits of battery storage and heat pump water heaters.

CPUC-FUNDED FLEXMARKET

SCP is pleased to announce that on June 2, Sonoma Clean Power's first CPUC-funded energy efficiency program was approved. Known as the "FLEXmarket" program, Sonoma Clean Power will receive \$3.1 million dollars over a three-year period.

The program plan and application to the CPUC was brought to the Committee on December 12, 2021 and was ratified and approved by the Board of Directors at the January 6, 2022 Board meeting.

FLEXmarket is an established incentive program for energy efficiency projects in existing buildings. SCP will pay incentives based on time-of-day avoided energy costs for projects that permanently reduce total energy use and shift energy use away from peak hours. The program is run through Recurve's FLEXmarket platform. Incentives are based on meter-measured performance. Any energy efficiency project with measured savings qualifies, including lighting and refrigeration. Our program

manager, Felicia Smith, will provide a more in-depth presentation at the Board meeting. This is Sonoma Clean Power's first CPUC funded program and first energy efficiency program.

COMMUNITY NEEDS ASSESSMENT FOR PROGRAM DEVELOPMENT

SCP is preparing a Request for Qualifications to identify potential partners and consultants to conduct community needs assessments. The assessments will highlight customers' needs, wishes, and concerns when it comes to energy efficiency and electrification. This will inform the development of more impactful customer programs that meet community needs.

This work is part of SCP's commitment, through the Programs Strategic Action Plan and Programs Equity Framework, to focus on the needs of the communities we serve. SCP plans to launch up to five community needs assessments through 2024 that will address five different categories of needs:

- Transportation and mobility
- Home energy use
- Home resiliency
- Commercial building energy use and commercial resiliency
- Agricultural energy use

Watch our Solicitations & Business Opportunities page for more information, subscribe for updates, and to help spread the word:

<https://sonomacleanpower.org/solicitations-business-opportunities>

GRIDSAVVY REWARDS

Staff launched "GridSavvy Rewards" to customers on May 9, 2022. GridSavvy Rewards is an extension of the existing GridSavvy program that reduces energy load of customers when needed. GridSavvy was previously only available to customers with smart EV chargers, smart thermostats, and smart water heaters. The new GridSavvy Rewards program now also includes an option for customers to participate without special technology or installed devices. This evolution will allow customers to financially benefit from simple changes in behavior and without relying on making financial investments.

GridSavvy Rewards encourages, incentivizes, and notifies our customers to conserve energy during hours of high demand on the grid. Customers can choose whatever

energy saving strategy works for them and their lifestyle (e.g. pre-cooking meals, turning off lights, turning off plug loads, delaying appliance use, etc.). For more information see <https://www.sonomacleanpower.org/earnrewards>.

GridSavvy Rewards pays customers \$2 for every kWh saved from their baseline during an energy saving event. Customers may also choose to donate their rewards to a selection of local Community Partners. For program launch, we are also offering \$25 enrollment incentive bonuses.

This program is intended to help customers reduce energy bills, make them aware of their energy use and their impacts on the electricity grid, reduce wholesale energy costs for SCP during peak periods, reduce Resource Adequacy costs, reduce emissions from the electricity grid, and support grid reliability and reduce the risk of rolling black outs.

We directly communicated with CARE/FERA customers and customers that had the top 10% of summer peak hour energy usage in 2021. We sent emails and direct mailers. A copy of one of the postcards is attached to the end of this report.

In total, approximately 54,000 customers were contacted directly. We also distributed a follow-up postcard to the initial mailing list customers that had not yet enrolled. Though our initial launch was targeted at the aforementioned customers, the program is open to all customers.

As of 6/8/22 over 1,300 customers have enrolled (which includes 1,013 CARE/FERA customers and 199 customers in Mendocino County). SCP has been able to reach customers that have historically been left out of programs; most notably Spanish speakers and customers that do not have services such as internet, email, or cell phones. All communication from SCP has been in English and in Spanish. SCP has enrolled customers over the phone that do not have access to internet, sent paper enrollment forms to customers that do not feel comfortable being enrolled over the phone, initiated automated voice calls to landlines for customer that do not have cell phones or email, provided checks instead of electronic gift cards to those that do not utilize or have internet, and spoken directly to dozens of customers over the phone to educate them on their energy use and how they can make a difference.

This evolution in the GridSavvy program is the direct result of our Programs Equity Framework, and our focus on serving those who are traditionally left out.

INTEGRATED RESOURCE PLAN UPDATE

Staff reintroduced SCP's Integrated Resource Plan to the Board in April 2022. In that presentation, staff projected returning to the Board as soon as this month (July). As

[sonomacleanpower.org](https://www.sonomacleanpower.org)

described in last month's meeting, several factors—including market dynamics caused by the war in Ukraine, supply shortages and new CPUC procurement orders—have led staff to delay finalizing the analysis for selecting a portfolio of supply and demand resources. Staff is now planning on presenting the Integrated Resource Plan and portfolios to the Board in October.

Although the presentation has been delayed, staff has been busy making improvements to process and building analytic products that will greatly benefit the 2022 Integrated Resource Plan. Activities to support the Integrated Resource Plan include the following:

- Completed and tested workflow for co-optimizing a portfolio in Ascend PowerSimm for targets on hourly emissions, cost, reliability, and compliance
- Finished workshops with Procurement on calibrating assumptions on cost, availability, and contract strategy for candidate resources
- Established a baseline portfolio for meeting minimum compliance obligations, including Mid-term Reliability Order procurement and RPS targets
- Hosted a meeting with the Regional Climate Protection Authority (RCPA) to discuss opportunities to align climate goals between agencies, with a particular focus on cross-sector opportunities for SCPA to support local GHG reductions
- In collaboration with Programs, built a robust forecast of the energy and carbon impact of local EV adoption and residential building electrification anchored on territory-specific data but aligned with the trends required in the 2022 CARB Scoping Report's preferred alternative for meeting 2045 net neutrality
- Submitted comments on CPUC's ruling on 2022 IRP process to support electric sector GHG targets, but to also increase focus on meeting expected increases in load from cross-sector electrification

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 over by approximately 1%. Year-to-date electricity sales reached \$168,699,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$99,512,000. In addition to Net Position, SCP maintains an Operating Account Fund of \$26,000,000 at the end of the period. Approximately \$63,511,000 is set aside for operating reserves.

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

BUDGETARY COMPARISON SCHEDULE

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

The budget is formatted to make comparisons for both the annual and the year-to-date perspective. The first column, 2021/22 YTD Budget, allocates the Board approved annual budget at expected levels throughout the year with consideration for the timing of additional customers, usage volumes, staffing needs etc.

The cost of electricity is more than the budget-to-date by less than 1%. Variation in this account is typically due to fluctuating 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

- GridSavvy Flier
- May 2022 Financials

UPCOMING MEETINGS

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

Save Energy. Earn Rewards. Ahorre Energía. Obtenga Recompensas.



**Sonoma
Clean Power**
P.O. Box 1030
Santa Rosa, CA 95402

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Save Energy. Earn Rewards.

Enroll in Sonoma Clean Power's GridSavvy Rewards and earn rewards for saving energy during hours of high electricity usage on the grid. There are no penalties if you don't reduce your usage, only rewards when you do! You'll also receive a **\$25 electronic gift card** as an enrollment bonus while funding lasts.

You can select to be notified about SCP's energy-saving events via text or email and can unsubscribe at any time. To enroll and learn more, please visit sonomacleanpower.org/earnrewards or call us at 1 (855) 202-2139.



Enroll in GridSavvy Rewards!

**Sonoma
Clean Power**

For Terms & Conditions, visit sonomacleanpower.org/earnrewards
Para términos y condiciones, visite sonomacleanpower.org/espanol/earnrewards

Ahorre Energía. Obtenga Recompensas.

Inscríbese en las recompensas GridSavvy de Sonoma Clean Power y gane recompensas por ahorrar energía durante las horas de alto consumo de electricidad en la red. No hay penalizaciones si no reduce su uso, ¡solo recompensas cuando lo hace! También recibirá **una tarjeta de regalo electrónica de \$25 dólares**, como un bono de inscripción mientras dure la financiación.

Para ser seleccionado ser notificado de los eventos de ahorro de energía de SCP por mensaje de texto o correo electrónico y puede darse de baja en cualquier momento. Para inscribirse y obtener más información, visite sonomacleanpower.org/earnrewards o llámenos al 1 (855) 202-2139.



¡Inscríbese en GridSavvy Rewards!

sonomacleanpower.org



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 May 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
June 29, 2022

**SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Eleven Months Ended May 31, 2022**

	2021/22 YTD			2021/22 YTD Actual / Amended Budget %	2021/22 Amended Budget	2021/22 Amended Budget Remaining
	2021/22 YTD Amended Budget	2021/22 YTD Actual	2021/22 YTD Variance (Under) Over			
REVENUE AND OTHER SOURCES:						
Electricity (net of allowance) *	\$ 169,181,204	\$ 166,581,188	\$ (2,600,016)	98%	\$ 191,599,000	\$ 25,017,812
Evergreen Premium (net of allowance)	1,906,303	2,117,703	211,400	111%	2,074,000	(43,703)
Inflow from Operating Account Fund Reserves	-	-	-	0%	-	-
CEC Grant	1,892,917	895,797	(997,120)	47%	2,065,000	1,169,203
BAAQMD grant	45,833	(15,575)	(61,408)	-34%	50,000	65,575
Interest income	770,000	307,055	(462,945)	40%	840,000	532,945
Total revenue and other sources	<u>173,796,257</u>	<u>169,886,168</u>	<u>(3,910,089)</u>	<u>98%</u>	<u>196,628,000</u>	<u>26,741,832</u>
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	151,141,674	152,229,180	1,087,506	101%	165,468,936	13,239,756
Data management	2,931,455	2,844,589	(86,866)	97%	3,198,000	353,411
Service fees- PG&E	891,878	893,006	1,128	100%	973,000	79,994
Personnel	5,683,333	5,187,495	(495,838)	91%	6,200,000	1,012,505
Outreach and communications	1,237,500	888,555	(348,945)	72%	1,350,000	461,445
Customer service	332,750	339,303	6,553	102%	363,000	23,697
General and administration	1,045,000	1,112,573	67,573	106%	1,140,000	27,427
Legal	375,833	247,637	(128,196)	66%	410,000	162,363
Regulatory and compliance	394,167	246,255	(147,912)	62%	430,000	183,745
Accounting	229,583	209,820	(19,763)	91%	245,000	35,180
Legislative	110,000	40,000	(70,000)	36%	120,000	80,000
Other consultants	206,250	213,741	7,491	104%	225,000	11,259
Industry memberships and dues	491,333	440,577	(50,756)	90%	536,000	95,423
Program implementation	5,170,000	2,522,176	(2,647,824)	49%	5,640,000	3,117,824
Program - CEC grant	3,666,667	1,210,570	(2,456,097)	33%	4,000,000	2,789,430
Total current expenditures	<u>173,907,423</u>	<u>168,625,477</u>	<u>(5,281,946)</u>	<u>97%</u>	<u>190,298,936</u>	<u>21,673,459</u>
OTHER USES						
Capital outlay	1,276,917	991,418	(285,499)	78%	1,393,000	401,582
Total Expenditures, Other Uses and Debt Service	<u>175,184,340</u>	<u>169,616,895</u>	<u>(5,567,445)</u>	<u>97%</u>	<u>191,691,936</u>	<u>22,075,041</u>
Net increase (decrease) in available fund balance	<u>\$ (1,388,083)</u>	<u>\$ 269,273</u>	<u>\$ 1,657,356</u>		<u>\$ 4,936,064</u>	<u>\$ 4,666,791</u>
<i>* Represents sales of approximately 2,058,000 MWh for 2021/22 YTD actual.</i>						
RESERVES						
Operating Reserve (as of June 30, 2021)	<u>\$ 63,511,000</u>	<u>44%</u>	<u>\$ 145,983,000</u>			

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

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 269,273
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(1,258,577)
Add back capital asset acquisitions	1,013,317
Add back certain program expenses recognized for budget purposes only	<u>(200,000)</u>
Change in net position	<u><u>\$ (175,987)</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 May 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
June 29, 2022

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of May 31, 2022

ASSETS

Current assets	
Cash and cash equivalents	\$ 51,494,065
Accounts receivable, net of allowance	22,418,038
Other receivables	984,288
Accrued revenue	11,052,939
Prepaid expenses	2,044,827
Deposits	4,503,531
Total current assets	<u>92,497,688</u>
Noncurrent assets	
Unrestricted cash in Rate Stabilization Fund	26,000,000
Land	860,520
Capital assets, net of depreciation	18,789,846
Deposits	846,256
Total noncurrent assets	<u>46,496,622</u>
Total assets	<u>138,994,310</u>

LIABILITIES

Current liabilities	
Accrued cost of electricity	10,653,196
Accounts payable	1,023,577
Other accrued liabilities	1,255,995
User taxes and energy surcharges due to other governments	549,316
Total current liabilities	<u>13,482,084</u>

DEFERRED INFLOWS OF RESOURCES

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

Investment in capital assets	19,650,366
Unrestricted	79,861,860
Total net position	<u>\$ 99,512,226</u>

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

OPERATING REVENUES

Electricity sales, net	\$ 163,099,195
Evergreen electricity premium	2,117,703
Grant revenue	4,362,215
Total operating revenues	<u>169,579,113</u>

OPERATING EXPENSES

Cost of electricity	152,229,180
Contract services	8,468,899
Staff compensation	5,187,495
General and administration	1,708,759
Program rebates and incentives	1,209,245
Depreciation	1,258,577
Total operating expenses	<u>170,062,155</u>
Operating income (loss)	<u>(483,042)</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	307,055
Nonoperating revenues (expenses), net	<u>307,055</u>

CHANGE IN NET POSITION

Net position at beginning of period	(175,987)
Net position at beginning of period	<u>99,688,213</u>
Net position at end of period	<u>\$ 99,512,226</u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS Eleven Months Ended May 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 161,700,269
Other operating receipts	14,070,902
Payments to electricity suppliers	(160,151,095)
Payments for other goods and services	(10,537,085)
Payments for staff compensation	(5,119,740)
Tax and surcharge payments to other governments	(2,171,426)
Payments for program rebates and incentives	(2,261,420)
Net cash provided (used) by operating activities	<u>(4,469,595)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(3,455,273)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>322,569</u>
Net cash provided (used) by investing activities	<u>322,569</u>

Net change in cash and cash equivalents	(7,602,299)
Cash and cash equivalents at beginning of year	<u>85,096,364</u>
Cash and cash equivalents at end of period	<u>\$ 77,494,065</u>

Reconciliation to the Statement of Net Position

Unrestricted cash and cash equivalents (current)	\$ 51,494,065
Unrestricted cash and cash equivalents (noncurrent)	<u>26,000,000</u>
Cash and cash equivalents	<u>\$ 77,494,065</u>

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

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

Operating income (loss)	\$ (483,042)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	1,258,577
Revenue adjusted for provision for uncollectible accounts	(121,390)
(Increase) decrease in:	
Accounts receivable	(3,521,519)
Other receivables	543,156
Accrued revenue	(2,074,335)
Prepaid expenses	(934,485)
Deposits	4,604,051
Increase (decrease) in:	
Accrued cost of electricity	(1,422,048)
Accounts payable	(551,034)
Accrued liabilities	(1,963,514)
User taxes due to other governments	29,188
Supplier security deposits	166,800
Net cash provided (used) by operating activities	<u>\$ (4,469,595)</u>



Staff Report - Item 07

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: July 7, 2022

Requested Action

Receive legislative and regulatory updates and provide direction as appropriate.

Regulatory Updates

PG&E General Rate Case Litigation Underway

Sonoma Clean Power staff, working with a coalition of Northern California CCAs, recently submitted testimony on a variety of proposed customer charges in PG&E's General Rate Case for the triennial period beginning 2023. In their initial Application, the utility requested that the California Public Utilities Commission approve a 2023 gas distribution, transmission and storage, electric distribution, and electric generation base revenue requirements of \$15.46 billion, an increase of \$3.56 billion over the 2022 adopted revenue requirements. PG&E is seeking an increase in rates and charges effective January 1, 2023

General Rate Cases govern the rate changes - and corresponding shareholder profits - utilities are permitted to generate. Assets the utility owns, such as distribution lines or generators, generate profits so long as these assets are determined to be used and useful. In addition, the statute requires that utilities must demonstrate that any costs they recoup from CCA customers were made on behalf of those customers. As a general measure, transmission and distribution costs are charged to all customers, while electricity generation costs are charged to customers who receive the electricity.

Testimony submitted to the assigned Judge highlights multiple instances where PG&E's Application would hoist costs onto CCA customers that are not being made on their behalf. These include proposed upgrades to the Gateway natural gas generation station, extending the operating life of 9 hydroelectric facilities, and categorizing a new battery storage project as a distribution asset to be paid for by all customers.

Rebuttal testimony from PG&E, followed by evidentiary hearings and subsequent briefs will take place through this Summer and Fall. The Judge intends to issue a proposed decision adopting rate changes in the 4th quarter of the year, for implementation January 1, 2023. SCP staff will remain deeply engaged to advocate for close oversight of utility costs and shareholder responsibility for poor investments.

Supreme Court Removes EPA's Authority to Regulate GHGs

On June 30, the U.S. Supreme Court ruled that the EPA does not have authority to regulate greenhouse gas emissions from power plants, essentially gutting the Clean Air Act. Justice Roberts asserted that Congress must specifically provide the EPA with authority to regulate greenhouse gas emissions, and that the Clean Air Act itself does not provide that power to the EPA. The full repercussions of this decision are not yet clear to staff, but it is fair to predict that many kinds of regulations on coal and fossil methane power plants will be lifted, harming climate progress.

Legislative Update

The California legislature passed its budget and is working to pass a number of junior budgets to clarify the details, including SB 122 the omnibus energy bill. SB 122 is far-reaching, and mostly contains positive elements to support grid reliability, transmission and renewable projects, and financial help for people unable to pay their bills early in the pandemic. However, the bill also contains a seriously problematic order for the Department of Water Resources to build 5,000 MW of new fossil gas-fired power plants. The better parts of the bill include:

- Adds \$1.2B in debt relief for residential customers who couldn't pay power or water bills in 2020 or 2021.
- Orders the CEC to create a program for providing incentives for long-duration storage of virtually any technology type *except* pumped hydro and lithium ion batteries.
- Orders the CEC to fund incremental capacity additions from existing renewable power sources, which may be supportive of SCP's GeoZone efforts.

- Orders CEC to create the Distributed Electricity Backup Assets Program to incentivize more dispatchable resources, including (but not limited to) fuel cells and batteries. It unclear if fossil methane gas is allowed for such fuel cells.
- Orders the CEC to create a Demand-Side Grid Support Program for load shedding, which could help other regions adopt programs similar to SCP's GridSavvy.
- Creates three different levels of customer subsidy based on income, which modifies the existing CARE program starting in July 2024.
- Orders the CEC to quickly study summer reliability through 2026 and report back on critical actions by January 2023.

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

Bill	Author	Summary	Position
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.	Dead
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
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. SCP successfully lobbied against a provision that would have allowed the costs of cancelling an IOU 100% renewables program to other customers who were never enrolled in the program.	Neutral SCP formerly opposed the bill, but with June 23 edits removed opposition.
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

Bill	Author	Summary	Position
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
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 higher 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

Bill	Author	Summary	Position
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. SCP supports the bill, but shared an improvement that should be made to allow State agencies to buy 100% renewable power from existing services like EverGreen, and avoid requiring creating entirely new services just for State agencies.	Support 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
SB 1158 Retail electricity suppliers: greenhouse gas emissions: integrated resource plans	Becker	Would change reporting requirements for GHG emissions to a 24/7 structure. Author closely engaged with SCP and has addressed all of SCP's important concerns, mostly around ensuring battery storage is properly reported.	Support Previously opposed unless amended
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 1230 Zero-emission and near-zero emission vehicle incentive programs: requirements.	Limón	Would make changes to how EV incentives are accessed.	Watch

Bill	Author	Summary	Position
SB 1287 Electric service providers and community choice aggregators: financial security requirements.	Bradford	Bill is dead. Increases financial security requirements for CCAs to protect IOUs from absorbing CCAs customers in adverse market conditions. In its current form, the bill could prevent new CCAs from forming and increase ratepayer costs for all CCAs. SCP is advocating for some reasonable parts of the bill, such as increasing the minimum bond posting from \$147,000 to \$500,000 and eliminating language that would have allowed CCA bonds to be virtually unlimited and in the billions.	n/a
SB 1328 Prohibited investments and contracts: Russia and Belarus.	McGuire	Prohibits California State investments in Russia and Belarus in response to Russia's war on Ukraine.	Support Action by staff in response to guidance by Board
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

Bill	Author	Summary	Position
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. Originally, the bill would have significantly increased legal risks to cities adopting reach codes to phase out dependency on fossil methane gas, however the author recently took amendments from CSAC to convert the bill to relatively meaningless language in which the CEC is able to provide "technical support" to cities passing reach codes. As such, SCP has withdrawn its original opposition.	Neutral
SB 1432 Electricity: resource adequacy requirements: electric service providers.	Hueso	Affects how generating resources used to provide resource adequacy are selected or approved and how costs of backstop procurement are allocated.	Watch
SCR 53 Climate change	McGuire	Resolution declaring the global climate crisis	Support Action by staff

Attachments

- Letter supporting NBNCBC, available at [this link](#) or by request to the Clerk of the Board
- Letter opposing SB 1136 (Portantino), available at [this link](#) or by request to the Clerk of the Board
- Letter supporting SB 1020 (Laird), available at [this link](#) or by request to the Clerk of the Board
- Letter AB 2838 (O'Donnell) - Removing Opposition, available at [this link](#) or by request to the Clerk of the Board
- Letter supporting SB 1158 (Becker), available at [this link](#) or by request to the Clerk of the Board
- Letter SB 1393 - Removing Opposition (Archuleta), available at [this link](#) or by request to the Clerk of the Board



Staff Report - Item 08

To: Sonoma Clean Power Authority Board of Directors

From: Chris Golik, Revenue Manager
Erica Torgerson, Director of Customer Service

Issue: Approve the Continued Use of New Customer Rates Effective July 1, 2022

Date: July 7, 2022

Recommendation

Approve the continued use of new rates, adopted on July 1, 2022, under the CEO's authority to make temporary rate changes, ensuring all SCP customers are at or below PG&E's June 1, 2022 generation rates (including fees).

Background

SCP previously changed rates on April 1, 2022 to match bundled service bills based on PG&E's rates that took effect on March 1, 2022. Subsequently, PG&E updated rates on June 1, 2022 to implement various CPUC-approved revenue requirements and rate design changes as detailed in Advice Letter 6603-E.

Per Section 4.5.2.1.1 of SCPA's Joint Powers Agreement,

"...the Chief Executive Office may change any rate for power sold by the Authority or any charge for services provided by the Authority if (a) the need for the change arises from...(ii) a change in rates or charges imposed on the Authority or its customers by PG&E, the CPUC, or any other regulatory agency...; and (b) the Chief Executive Officer determines, following consultation with the Chair of the Board of Directors, that the change is reasonably necessary for budgetary reasons or to keep the Authority's rates and charges competitive. Changes in rates or charges made by the Chief Executive Officer under this Section shall be brought to the Board of Directors at the next scheduled meeting for consideration and shall expire after 90 days unless ratified by the Board of Directors."

Discussion

On June 1, 2022, PG&E updated their distribution rates, generation rates, and the allocation of PCIA and franchise fees between rate schedules.

Changes to distribution rates impact both SCP and bundled customers, and increased by approximately 3% in total.

PG&E's changes to generation rates and fee allocations resulted in an increase in some rate components and a decrease in others. In response, after consultation with the Chair and Vice Chair of the Board of Directors, the CEO decided to lower rates on July 1, 2022 to match PG&E for any rate component that was above PG&E. SCP did not increase any rate components, and as a result some SCP rates are below PG&E's.

SCP's rates are now the same or lower than PG&E's rates on a total bill basis for all customers.

Fiscal Impact

The July 1, 2022, rate reduction is expected to decrease FY2022-23 revenue by approximately \$1.5M or 0.6% of budgeted electricity sales.

Attachments

- SCP Rate Schedule Effective July 1, 2022, 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: Kate Kelly, Director of Public Relations and Marketing
Issue: Receive Presentation on Brand Awareness Survey Findings
Date: July 7, 2022

Recommendation

Receive a presentation on the summary of findings from recent Brand Awareness survey.

Background

As a continuation of market and demographic research being conducted by Sonoma Clean Power to better understand our customers, non-customers and communities, a comprehensive Brand Awareness survey was mailed to residential customers and non-customers in Sonoma and Mendocino counties, with an invitation to take the survey online. Communication was sent in Spanish and English languages.

Attachments

None