AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, NOVEMBER 3, 2022
9:00 A.M.

****AB 361****
**RE CORONAVIRUS COVID-19**
**HYBRID MEETING (IN PERSON AND REMOTE ATTENDANCE)**

CONSISTENT WITH THE PROVISIONS OF AB 361, MEMBERS OF THE BOARD OF DIRECTORS MAY PARTICIPATE IN THE NOVEMBER 3, 2022, MEETING REMOTELY OR IN PERSON AT THE LOCATION SHOWN BELOW.

SONOMA CLEAN POWER HEADQUARTERS
431 E STREET
SANTA ROSA, CA 95404

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

How to Submit Public When Participating Remotely:

The Chair will request public comment during the Public Comment period for all items on the agenda. Comments may be provided in person at the physical meeting location. 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.
CALL TO ORDER

BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve October 6, 2022, Draft Board of Directors Meeting Minutes (Staff Recommendation: Approve)  pg. - 5
2. Authorize Extension of Sonoma Clean Power Authority Resolution 2021-05 Permitting Remote Teleconference Meetings of the Board of Directors and Community Advisory Committee Pursuant to AB 361 (Staff Recommendation: Approve)  pg. - 11
3. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File)  pg. - 15
4. Approve and Delegate Authority to the CEO or his Designee to Execute the Second Amendment to an Agreement with The Engine is Red, with a Not-to-Exceed Amount of $140,000 (Staff Recommendation: Approve)  pg. - 19
5. Approve and Delegate Authority to the CEO or Designee to Execute Agreement for Professional Services with Maher Accountancy through June 30, 2024, with a Not-to-Exceed Amount of $450,000 (Staff Recommendation: Approve)  pg. - 21
6. Approve Continued Use of Updated B-6 Rate Effective October 1, 2022 (Staff Recommendation: Approve)  pg. - 23

BOARD OF DIRECTORS REGULAR CALENDAR

7. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File)  pg. - 25
8. Receive Legislative and Regulatory Updates and Provide Direction as Appropriate (Staff Recommendation: Receive and File)  pg. - 39
9. Receive Overview of Workplace Electric Vehicle Charging Research Project Proposal and Provide Direction as Appropriate (Staff Recommendation: Receive and File)  pg. - 41

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
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>CAC</td>
<td>Community Advisory Committee</td>
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<tr>
<td>CAISO</td>
<td>California Independent Systems Operator - the grid operator</td>
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<tr>
<td>CCA</td>
<td>Community Choice Aggregator - a public power provider</td>
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<tr>
<td>CEC</td>
<td>California Energy Commission</td>
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<tr>
<td>CleanStart</td>
<td>SCP’s default power service</td>
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<td>CPUC</td>
<td>California Public Utilities Commission</td>
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<tr>
<td>DER</td>
<td>Distributed Energy Resource</td>
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<td>ERRA</td>
<td>Energy Resource Recovery Account - one of PG&amp;E’s rate cases at the CPUC</td>
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<tr>
<td>EverGreen</td>
<td>SCP’s 100% renewable, 100% local energy service, and the first service in the United States providing renewable power every hour of every day.</td>
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<td>Geothermal</td>
<td>A locally-available, low-carbon baseload renewable resource</td>
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<td>GHG</td>
<td>Greenhouse gas</td>
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<td>GRC</td>
<td>General Rate Case - one of PG&amp;E’s rate cases at the CPUC</td>
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<tr>
<td>GridSavvy</td>
<td>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.’</td>
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<tr>
<td>IOU</td>
<td>Investor Owned Utility (e.g., PG&amp;E)</td>
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<tr>
<td>IRP</td>
<td>Integrated Resource Plan - balancing energy needs with energy resources</td>
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<tr>
<td>JPA</td>
<td>Joint Powers Authority</td>
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<tr>
<td>MW</td>
<td>Megawatt is a unit of power and measures how fast energy is being used or produced at one moment.</td>
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<tr>
<td>MWh</td>
<td>Megawatt-hour is a unit of energy and measures how much energy is used or produced over time.</td>
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<tr>
<td>NEM</td>
<td>Net Energy Metering. NEM is a billing mechanism that credits solar energy system owners for the electricity they add to the grid.</td>
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<tr>
<td>NetGreen</td>
<td>SCP’s net energy metering bonus</td>
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<tr>
<td>PCIA</td>
<td>Power Charge Indifference Adjustment - a fee charged by PG&amp;E to all electric customers to ensure PG&amp;E can pay for excess power supply contracts that it no longer needs.</td>
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<tr>
<td>RA</td>
<td>Resource Adequacy - a required form of capacity that helps ensure there are sufficient power resources available when needed.</td>
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<tr>
<td>RPS</td>
<td>Renewables Portfolio Standard refers to certain kinds of renewable energy which qualify to meet state requirements, including wind, solar, geothermal.</td>
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<td>SCP</td>
<td>Sonoma Clean Power</td>
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<tr>
<td>TOU</td>
<td>Time of Use, used to refer to rates that differ by time of day</td>
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**AB 361**

**RE CORONAVIRUS COVID-19**

**HYBRID MEETING (IN PERSON AND REMOTE ATTENDANCE)**

CONSISTENT WITH THE PROVISIONS OF AB 361 WHICH SUSPENDED CERTAIN REQUIREMENTS OF THE BROWN ACT, MEMBERS OF THE BOARD OF DIRECTORS PARTICIPATED IN THE OCTOBER 6, 2022, MEETING IN PERSON AND BY REMOTE ATTENDANCE.

**CALL TO ORDER**

(9:06 a.m. - Video Time Stamp: 00:06:21)

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 and Analytics; Joshua Nelson, Special Counsel and Katherine Brandenburg, the Brandenburg Group.

**BOARD OF DIRECTORS CONSENT CALENDAR**

(9:07 a.m. - Video Time Stamp: 00:07:35)

1. Approve August 4, 2022, Draft Board of Directors Meeting Minutes

2. Authorize Extension of Sonoma Clean Power Resolution 2021-05 Permitting Remote Teleconference Meetings of the Board of Directors and Community Advisory Committee Pursuant to AB 361

3. Adopt a Resolution Attesting to the Accuracy of Sonoma Clean Power Authority’s 2021 Power Source Disclosure Annual Reports for CleanStart and EverGreen Products and 2021 Power Content Label
Motion to Approve the October 6, 2022, Board of Directors Consent Calendar by Director Landman

Second: Director Rogers

Motion passed by roll call vote

ABSTAIN: Hopkins, from Item 1.

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

BOARD OF DIRECTORS REGULAR CALENDAR


(9:10 a.m. - Video Time Stamp: 00:10:38)

Stephanie Reynolds, Director of Internal Operations, told the Board about a news clip on KPIX CBS News that discussed solar backup power system kits SCP provided to local firehouses. She mentioned that the Advanced Energy Center would be hosting its Grand Opening on Friday, October 7, 2022. Geof Syphers, CEO, discussed the SCP Headquarters being the world’s first GridOptimal microgrid. He discussed the heat storm that hit California the week of Labor Day and the State’s response to it. He discussed Southern Humboldt County getting notice from PG&E that all new construction needs to stop due to their transmission being overloaded. He mentioned the upcoming 2022 27th International Conference of Parties Climate Talks which Directors Rogers and Elward will be attending along with representatives from the Sonoma County Board of Supervisors and Sonoma Water. He added that SCP will help fill the funding gap for this trip with a $35,000 donation.

Director Slayter asked about the participation numbers for EverGreen, CEO Syphers explained they would be added to the Operation Report at the next meeting.

Public Comment: None

5. Receive Legislative and Regulatory Updates and Provide Direction as Appropriate
Neal Reardon, Director of Regulatory Affairs, discussed a proposal by PG&E to allow the utility to force customers off the bulk power grid in the interest of removing overhead power lines in areas with high fire threats. He stated that SCP provided limited authorization for so-called “remote grids” in 2020 when PG&E includes both SCP and the affected customers in making the decision to permanently disconnect them from the grid. Director Reardon pointed out that giving PG&E unilateral power to make decisions that change SCP’s eligible service territory and may negatively impact customers is not prudent, and that SCP will challenge this. CEO Syphers mentioned an example of a positive remote grid project at Pepperwood Preserve, in which PG&E engaged SCP and the customer, and ultimately led to a plan for PG&E to construct their first ever 100% renewable system.

Katherine Brandenburg of the Brandenburg Group gave a legislative update to the Board. She mentioned that Gov. Newsom has signed 42 climate-related bills including SB 1020 (Laird). CEO Syphers discussed SB 1158 (Becker). Josh Nelson, Special Counsel, discussed AB 2449 (Rubio) which and SB 1100 (Cortese).

10:08 a.m. Director Rogers exited the meeting.

Chair King requested that the impact of the climate bills be sent to the Board.

Rebecca Simonson, Director of Programs, invited the Board Members and their respective agencies to electrify all municipal buildings by 2030 and offered SCP staff as a resource.

Chair King asked if there would be no change in rates related to Diablo Canyon and Director Reardon answered that he would come back with an item detailing the changes. Director Bagby requested an item looking into access to energy audits.

Public Comment: None

6. Approve Authorize the Chief Executive Officer or his Designee to Execute Memorandum of Understanding Agreements with GeoZone Private Partners and Initiate Negotiations of Public-Private Cooperation Agreements

(10:34 a.m. - Video Time Stamp: 01:33:48)

Ryan Tracey, Director of Planning and Analytics, introduced this item. He explained that SCP started their solicitation period in the spring to investigate
geothermal energy sources and had selected three companies to move forward with: Eavor, Chevron New Energies, and Cyrq Energy. He explained the goal of the GeoZone to add local geothermal capacity without reducing the output from existing geothermal operations, and recommended moving forward with all three companies.

10:45 a.m. Director Peters exited the meeting.

Directors Bagby and Elward expressed concerns about investments in oil companies. CEO Syphers added that Chevron is aware of SCP’s concerns with their history.

Public Comment: Dick Dowd expressed appreciation for the GeoZone reports.

Motion to Approve Authorize the Chief Executive Officer or his Designee to Execute Memorandum of Understanding Agreements with GeoZone Private Partners and Initiate Negotiations of Public-Private Cooperation Agreements by Director Landman.

Second: Director Fudge

Motion passed by roll call vote

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

11:14 a.m. The Board entered recess.

11:24 a.m. The Board reconvened.

7. Adopt Staff’s Preferred Portfolio for the 2022 Integrated Resource Plan Filing
(11:24 a.m. - Video Time Stamp: 02:24:13)

Director Tracey introduced the Integrated Resource Plan (IRP) as an internal way to make meaningful differences in climate goals. He explained that the plan is informed by compliance obligations, internal SCP goals, and practical operational needs. He stated that the new goals in this IRP include 100% hourly carbon mitigation by 2026 and an 80% winter evening reliability by 2030. He explained that because solar and storage is not as effective in the wintertime, this is the new challenge. He said that SCP’s preferred portfolio includes solar, wind, geothermal, and stand-alone storage, and that the IRP
plans it through 2040 while also phasing down reliance on biomass and hydropower.

Public Comment: None

Motion to Adopt Staff’s Preferred Portfolio for the 2022 Integrated Resource Plan Filing by Director Slayter.
Second: Director Elward
Motion passed by roll call vote
AYES: Bagby, Landman, King, Elward, Slayter, Felder, Fudge, Gjerde, Hopkins
ABSENT: Peters, Rogers

8. Direct Board Ad Hoc Committee to Review Board Policies and Procedures
(11:36 a.m. - Video Time Stamp: 02:33:35)
Chair King asked for volunteers to make up an Ad Hoc Committee to review SCP’s Board Policies and Procedures. Directors Landman, Gjerde, and Elward volunteered.
Public Comment: None
The Ad Hoc to Review Board Policies and Procedures was created by acclamation from the Board.

9. Approve Salary Increase, an Amendment to the Chief Executive Officer’s Employment Contract and Annual Contract Goals for Chief Executive Officer Syphers
(11:41 a.m. - Video Time Stamp: 02:41:05)
Chair King recommended approval of the 3% increase and a one-time increase of 7% due to inflationary pressures and expressed his gratitude to have CEO Syphers leadership at SCP.
Public Comment: None
Motion to Approve Salary Increase, an Amendment to the Chief Executive Officer’s Employment Contract and Annual Contract Goals for Chief Executive Officer Syphers by Director Gjerde
Second: Director Bagby
Motion passed by roll call vote

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

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

(11:44 a.m. - Video Time Stamp: 02:44:27)

Director Slayter mentioned that the City of Sebastopol had adopted smart meters and asked for SCP’s help in getting word to the people of Sebastopol about the benefits of using them.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(11:46 a.m. - Video Time Stamp: 02:46:46)

Public Comment: Mike Nicholls asked about the press release regarding PG&E and Pacific Generation LLC and asked whether SCP could provide input and CEO Syphers responded that PG&E’s stated purpose is to raise capital.

Madge Strong thanked CEO Syphers for speaking with members of the public in Mendocino County.

CLOSED SESSION

(11:50 a.m. - Video Time Stamp: 02:50:35)

10. Conference with Labor Negotiators - Agency Designated Representatives: Chair King, Vice Chair Fudge Unrepresented Employee: Chief Executive Officer (Gov’t Code Section 54957.6)

11. Public Employee Performance Evaluation - Chief Executive Officer (Gov’t Code Section 54957)

ADJOURN

(11:50 a.m. - Video Time Stamp: 02:50:55)

Chair King adjourned the public meeting prior to convening Closed Session.
Staff Report - Item 02

To: Sonoma Clean Power Authority Board of Directors
From: Geof Syphers, CEO
Issue: Authorize Extension of Sonoma Clean Power Authority Resolution 2021-05 Permitting Remote Teleconference Meetings of the Board of Directors and Community Advisory Committee Pursuant to AB 361
Date: November 3, 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:

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<tr>
<th>JURISDICTION</th>
<th>NAME</th>
<th>AYE</th>
<th>NO</th>
<th>ABSTAIN/ABSENT</th>
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<tbody>
<tr>
<td>Cloverdale</td>
<td>Director Bagby</td>
<td>X</td>
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<td>Cotati</td>
<td>Director Landman</td>
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<td>Fort Bragg</td>
<td>Director Peters</td>
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<td>Petaluma</td>
<td>Director King</td>
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<td>Rohnert Park</td>
<td>Director Elward</td>
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<td>Santa Rosa</td>
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<td>Sebastopol</td>
<td>Director Slayter</td>
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<td>Director Felder</td>
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<td>Windsor</td>
<td>Director Fudge</td>
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<tr>
<td>County of Mendocino</td>
<td>Director Gjerde</td>
<td>X</td>
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<tr>
<td>County of Sonoma</td>
<td>Director Hopkins</td>
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In alphabetical order by jurisdiction

Attest:

Clerk of the Board

APPROVED AS TO FORM:

Special Counsel,
Sonoma Clean Power Authority
Staff Report – Item 03

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: November 3, 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.

Ongoing updates, information, and materials about the GeoZone can be found at https://sonomacleanpower.org/geozone.

Cooperation Agreements
Following approval from the Board on October 6, staff executed Memorandums of Understanding and started actively drafting cooperation agreements with all three private partners: Eavor Inc., Chevron New Technologies, and Cyrq Energy. SCP and all three partners have finished reviewing an outline summarizing the key components of the cooperation agreement. Staff hopes to complete first drafts of the agreements, incorporating feedback from the outline review soon.

After language for each agreement is drafted, staff will bring the cooperation agreements to the CAC for review and the Board for approval before executing. Staff does not necessarily expect all agreements to be completed concurrently. Although all three agreements started from a common template, each agreement will have milestones and provisions that are specific to the counterparty’s GeoZone proposal.
Site Opportunities

An early focus in the GeoZone will be identifying suitable sites to host new geothermal projects. Although private partners will be responsible for securing site control, SCP expects to use its relationships in the community to help convene potential site hosts. Staff has pro-actively identified several opportunities with public agencies, tribal land, and large private landowners in the region and is beginning to reach-out to gauge their interest in hosting projects. Staff will also welcome any input from the CAC or public concerning site opportunities by e-mail at geozone@sonomacleanpower.org.

Grant Opportunities

There are several grant opportunities staff is actively tracking for potential GeoZone funding including:

- **Department of Energy (DOE) Grid Resilience and Innovation Partnerships Program** - The DOE is funding $10.5 billion in grants as part of the Bipartisan Infrastructure Law (BIL) to fund innovative projects that increase grid resiliency and facilitate deployment of cleaner energy sources. SCP responded to a Request for Information (RFI) on the program with comments supporting eligibility for projects like the GeoZone that are accelerating deployment of clean firm resources but may need financial assistance to overcome market and infrastructure barriers. The DOE may start accepting concept papers from applicants for this program by the end of the year.

- **California Energy Commission (CEC) Long-duration Storage** - The 2022-23 state budget included $240 million for non-lithium long duration storage. Details of the program are expected to be discussed at one of the upcoming CEC Business Meetings. Cyrq Energy’s thermal storage technology or dispatchable configurations of Eavor or Chevron New Energies may be strong candidates.

- **DOE Long-Duration Energy Storage Demonstration Initiative** - The DOE is expected to also award $150 million in grants out of the Office of Clean Energy Demonstrations for innovative long-duration energy storage technologies. The estimated application opening date is by the end of this year.

- **DOE Bipartisan Infrastructure Law Enhanced Geothermal Systems (EGS) Pilot Demonstrations** - The DOE is awarding $84 million for pilots to demonstrate new EGS technologies. SCP responded to an RFI in May 2022 with comments supporting a broad definition of technologies eligible for the grant—specifically asking that advanced closed-loop technologies be considered. SCP also highlighted attributes of a likely GeoZone application, such as pro-active
community involvement, that the DOE should preferentially consider. DOE has not announced a firm timetable for the application process.

California Public Utilities Commission (CPUC) Advocacy

The CPUC recently released a report it commissioned to investigate zero-carbon firm resources to consider for statewide resource planning in its Integrated Resource Planning (IRP) process. The report mostly relied on third-party sources to compare the cost and viability of different candidate technologies including small modular nuclear reactors, enhanced geothermal systems (EGS), carbon capture and storage (CCS), non-lithium energy storage (including hydrogen and renewable fuels). Possibly because of the long-time lag since the last significant California geothermal developments, the report stated that “all technologies except EGS show promise as zero-carbon firm capacity,” which is directly contradictory to SCP’s own research and analysis. The CPUC’s portfolio modeling is incredibly influential in determining the trajectory of California’s energy transition as it is used as the basis for transmission planning, procurement orders, and prioritization of state funding.

In response, staff submitted informal comments to the CPUC sharing its own robust outlook for geothermal resources in providing clean firm capacity. The comments referenced some of SCP’s own analysis as well as recent academic work confirming the immense economic potential of geothermal development. SCP will continue to monitor the representation of geothermal in statewide planning efforts and has alerted the Department of Energy Geothermal Technology Office of the CPUC’s preliminary findings.

Other News

- The DOE announced their latest “earthshot” of slashing the cost of EGS to $45 per megawatt hour by 2035. Although speculative, the ambitious goal will guide DOE funding priorities and if successful will result in the widespread availability of clean and affordable energy.

- Chevron New Energies announced a joint collaboration agreement with Mitsui Oil Exploration Company (MOECO) to explore the feasibility of deploying advanced closed loop geothermal technology in Japan. Advanced closed loop geothermal technology is also under consideration for Chevron New Energies’ development strategy in the GeoZone.
To: Sonoma Clean Power Authority Board of Directors  
From: April Varellas, Brand Manager  
Issue: Approve and Delegate Authority to the CEO or his Designee to Execute the Second Amendment to an Agreement with The Engine is Red, with a Not-to-Exceed Amount of $140,000  
Date: November 3, 2022

Recommendation

Approve and delegate authority to the Chief Executive Officer, or his designee, to execute a second amendment to the current Professional Services Agreement (“PSA”) with The Engine is Red. This amendment will extend the agreement term through February 28, 2023, and add $51,000 to the not-to-exceed amount, bringing the new not-to-exceed amount from $89,000 to $140,000.

Background

This summer, Sonoma Clean Power launched the first phase of the Powering Everyday Moments brand campaign, which focuses on residential services.

SCP entered into a professional services agreement with local advertising agency The Engine is Red in April 2022 to develop the concept and the creative elements of the brand campaign (Attachment A). The agreement was first amended in August 2022 to extend the contract date for further work to be done, without increasing the not-to-exceed amount (Attachment B).

Discussion

Now that the residential Powering Everyday Moments campaign has launched, we desire to create a companion campaign promoting Sonoma Clean Power’s commercial services, including customer testimonials for both CleanStart and EverGreen customers in Sonoma and Mendocino counties.
To achieve the commercial phase of the campaign, we are requesting a second amendment to the current agreement (Attachment C) to increase the not-to-exceed amount by fifty-one thousand ($51,000) for a new total of one hundred and forty thousand dollars ($140,000). We also request to extend the agreement term from December 2022 to February 28, 2023, to allow us to complete this work.

**Fiscal Impact**

$51,000 of additional spending, all of which is already in the FY2022/23 approved budget.

**Community Advisory Committee Review**

The CAC recommended the approval of this item on October 20, 2022.

**Attachments**

- Attachment A – The Engine is Red Professional Services Agreement for Branding Campaign, available at this link or by request to the Clerk of the Board
- Attachment B – The Engine is Red Amendment #1 for Branding Campaign, available at this link or by request to the Clerk of the Board
- Attachment C – The Engine is Red Draft Amendment #2 for Branding Campaign, available at this link or by request to the Clerk of the Board
Staff Report - Item 05

To: Sonoma Clean Power Authority Board of Directors
From: Stephanie Reynolds, Director of Internal Operations
       Michael Koszalka, Chief Operating Officer

Issue: Recommend the Board of Directors Approve and Delegate Authority to the CEO or Designee to Execute Agreement for Professional Services with Maher Accountancy through June 30, 2024, with a Not-to-Exceed Amount of $450,000

Date: November 3, 2022

Recommendation

Recommend that the Board approve and delegate authority to the CEO or designee to execute an agreement for professional services with Maher Accountancy, for general accounting services, for a period of two years, through June 30, 2024, with a not-to-exceed amount of $450,000.

Background

Maher Accountancy (Maher) has been SCP’s primary accountant since 2013, with several prior contracts and extension amendments for services. Following the recommendation of the Community Advisory Committee (Committee), staff issued a Request for Proposals (RFP) in August of this year to explore our options for accounting services. Although the RFP was published on our website and with the California Society of CPAs, Maher was the sole respondent to the RFP.

Maher has been a key partner in SCP’s operations since our formation. They perform general accounting services and have been instrumental in financial risk management, budgeting, contract tracking, payroll, invoice processing and other operational processes. SCP contracts with a separate accounting firm, currently Pisenti and Brinker, for our annual fiscal-year independent audits.
Community Advisory Committee Review

The Community Advisory Committee recommended the Board approve this new contract with Maher Accountancy.

Discussion

As the accounting services specific to CCAs are critical to a successful organization, staff recommends continuation of our working relationship with Maher. Maher has expanded their team over the last several years to provide services to several CCAs across the state and are familiar with the scope and breadth of the accounting needs of SCP. They work well with our team and have achieved clean outside audits in every year since 2013.

Fiscal Impact

The costs for accounting services, including annual audits are included in the 2022-2023 Fiscal Year Budget. Costs to be incurred in subsequent fiscal years will be included in the draft budget(s) to be recommended by the Committee and approved by the Board of Directors.

Attachments

- Attachment A – Draft Agreement for Professional Services, available at this link or by request to the Clerk of the Board
To: Sonoma Clean Power Authority Board of Directors
From: Chris Golik, Revenue Manager
Issue: Approve Continued Use of Updated B-6 Rate Effective October 1, 2022
Date: November 3, 2022

Recommendation

Approve the continued use of SCP’s updated B-6 rate, adopted on October 1, 2022, under the CEO’s authority to make temporary rate changes. The new B-6 rate matches PG&E’s October 1, 2022, B-6 rate.

Background

SCP previously lowered rates on July 1, 2022, resulting in rates that were the same or lower than PG&E’s on a total bill basis for all customers. PG&E subsequently updated their B-6 rate on October 1, 2022.

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 October 1, 2022, PG&E updated their B-6 rate to change the various time-of-use rates. In response, and because some of PG&E’s new time-of-use rates were below SCP’s rates, the CEO decided to update SCP’s B-6 rate on October 1, 2022, to match PG&E’s new generation rates. Total rates increased during the summer peak period and decreased in all other periods. On average, the change is expected to reduce charges slightly for SCP’s B-6 customers on a total bill basis.

**Fiscal Impact**

The October 1, 2022, B-6 rate change is expected to decrease FY2022-23 revenue by approximately $300,000 or about 0.1% of budgeted electricity sales.

**Community Advisory Committee Review**

The Community Advisory Committee unanimously recommended approval to the Board of Directors at their October 20, 2022, meeting.

**Attachments**

- SCP Rate Schedule Effective October 1, 2022, available at [this link](#) or by request to the Clerk of the Board
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: November 3, 2022

WATER AND ENERGY EDUCATION

As part of Sonoma Clean Power’s partnership with Sonoma Water, the Water and Energy Education Team recently co-hosted a 5-day professional development for 18 middle and high school teachers titled, Climate Change & Resilience in the North Bay. Each day was spent with a local organization working on climate change solutions in Sonoma County.

The week culminated at the Advanced Energy Center where teachers worked through a series of escape-room type challenges created by Sonoma Water Education staff designed for high school students to learn key actions they can take to reduce carbon emissions locally.

This workshop helped create new partnerships between teachers and the many entities in Sonoma County working to find solutions to the challenges of a changing climate.

SCP HOSTS CONGRESSMAN THOMPSON’S PRESS CONFERENCE

On October 25th, Congressman Mike Thompson held a press conference at Sonoma Clean Power’s Advanced Energy Center, including local business and agriculture leaders, elected officials, and local climate action students to talk about the historic impact of the Inflation Reduction Act. Local and Bay Area news outlets covered the press conference. Click here to view a news segment from KTVU Channel 2 News.
CUSTOMER PARTICIPATION
(10/27/22)

### Meters and Participation by TOT

<table>
<thead>
<tr>
<th>COUNTY</th>
<th>Eligible</th>
<th>SCP</th>
<th>% Part.</th>
<th>% Opt Out</th>
</tr>
</thead>
<tbody>
<tr>
<td>SONOMA</td>
<td>226,633</td>
<td>199,979</td>
<td>88.2%</td>
<td>11.8%</td>
</tr>
<tr>
<td>WINDSOR INC</td>
<td>9,976</td>
<td>8,779</td>
<td>88.0%</td>
<td>12.0%</td>
</tr>
<tr>
<td>UNINC SONOMA CO</td>
<td>73,759</td>
<td>64,251</td>
<td>87.1%</td>
<td>12.9%</td>
</tr>
<tr>
<td>SONOMA INC</td>
<td>6,436</td>
<td>5,639</td>
<td>87.6%</td>
<td>12.4%</td>
</tr>
<tr>
<td>SEBASTOPOL INC</td>
<td>4,429</td>
<td>4,044</td>
<td>91.3%</td>
<td>8.7%</td>
</tr>
<tr>
<td>SANTA ROSA INC</td>
<td>77,598</td>
<td>68,951</td>
<td>88.9%</td>
<td>11.1%</td>
</tr>
<tr>
<td>ROHNERT PARK INC</td>
<td>19,276</td>
<td>17,186</td>
<td>89.2%</td>
<td>10.8%</td>
</tr>
<tr>
<td>PETALUMA INC</td>
<td>27,355</td>
<td>24,366</td>
<td>89.1%</td>
<td>10.9%</td>
</tr>
<tr>
<td>COTATI INC</td>
<td>3,877</td>
<td>3,511</td>
<td>90.6%</td>
<td>9.4%</td>
</tr>
<tr>
<td>CLOVERDALE INC</td>
<td>3,927</td>
<td>3,252</td>
<td>82.8%</td>
<td>17.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>265,156</strong></td>
<td><strong>230,788</strong></td>
<td><strong>87.0%</strong></td>
<td><strong>13.0%</strong></td>
</tr>
</tbody>
</table>

### Current EverGreen Enrollment by TOT

<table>
<thead>
<tr>
<th>COUNTY</th>
<th>SCP Meters</th>
<th>EverGreen Meters</th>
<th>EverGreen %</th>
</tr>
</thead>
<tbody>
<tr>
<td>SONOMA</td>
<td>199,979</td>
<td>3,440</td>
<td>1.72%</td>
</tr>
<tr>
<td>WINDSOR INC</td>
<td>8,779</td>
<td>49</td>
<td>0.56%</td>
</tr>
<tr>
<td>UNINC SONOMA CO</td>
<td>64,251</td>
<td>984</td>
<td>1.53%</td>
</tr>
<tr>
<td>SONOMA INC</td>
<td>5,639</td>
<td>79</td>
<td>1.40%</td>
</tr>
<tr>
<td>SEBASTOPOL INC</td>
<td>4,044</td>
<td>174</td>
<td>4.30%</td>
</tr>
<tr>
<td>SANTA ROSA INC</td>
<td>68,951</td>
<td>1,172</td>
<td>1.70%</td>
</tr>
<tr>
<td>ROHNERT PARK INC</td>
<td>17,106</td>
<td>234</td>
<td>1.36%</td>
</tr>
<tr>
<td>PETALUMA INC</td>
<td>24,366</td>
<td>600</td>
<td>2.46%</td>
</tr>
<tr>
<td>COTATI INC</td>
<td>3,511</td>
<td>124</td>
<td>3.53%</td>
</tr>
<tr>
<td>CLOVERDALE INC</td>
<td>3,252</td>
<td>24</td>
<td>0.74%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>230,788</strong></td>
<td><strong>3,872</strong></td>
<td><strong>1.68%</strong></td>
</tr>
</tbody>
</table>

sonomacleanpower.org

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MONTHLY COMPILED FINANCIAL STATEMENTS

The year-to-date change in net position is better than projections. Revenue from electricity sales and cost of energy both exceed budget projections, but the result was favorable as the increase in revenue exceeded that of cost of energy. Year-to-date electricity sales reached $52,222,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive $146,911,000, which indicates healthy growth as SCP continues to make progress towards its reserve goals. Approximately $63,511,000 was set aside for operating reserves as of June 30, 2021. Operating reserves are expected to increase to near the minimum reserve balance as of June 30, 2022 and will be updated when audited financials become available.

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

BUDGETARY COMPARISON SCHEDULE

The accompanying budgetary comparison includes the 2022/23 budget approved by the Board of Directors.

The budget is formatted to make comparisons for both the annual and the year-to-date perspective. The first column, 2022/23 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 over budget by approximately 16% at the end of the reporting period. The cost of electricity is more than the budget-to-date by approximately 6%. 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

➤ 2022 Teacher Workshop Summary
➤ August 2022 Financials

UPCOMING MEETINGS

➤ Community Advisory Committee - November 17, 2022
➤ Board of Directors - December 1, 2022
➤ Community Advisory Committee - December 15, 2022
The Water and Energy Education Team recently co-hosted a 5-day professional development for 18 middle and high school teachers titled, *Climate Change & Resilience in the North Bay*. Each day was spent with a local organization working on climate change solutions in Sonoma County.

During the week, teachers took a tour of a prescribed burn and learned about land stewardship informed with Traditional Ecological Knowledge at Pepperwood Preserve, visited Windsor’s Community Garden to learn how to integrate solutions-focused projects at school with Daily Acts, toured the water system with Pam Jeane, and learned from Aaron Johnson and Carlos Diaz about drought and its impacts on salmonids and water supply. Towards the end of the week, teachers kayaked in Bodega Bay with Regional Parks and learned activities to share with students about ocean acidification and sea level rise with NOAA educator, Jennifer Stock. The week culminated at Sonoma Clean Power’s Advanced Energy Center where teachers worked through a series of escape room challenges created by Water Education staff designed for high school students to learn key actions they can take to reduce carbon emissions locally.

Teachers will implement lessons they developed during the week and Water and Energy Education staff plan to observe these lessons throughout the school year. When complete, teachers will receive a $1,000 stipend for the weeklong workshop and for carrying out their lessons.

This workshop helped create new partnerships between teachers and the many entities in Sonoma County working hard to find solutions to the challenges of a changing climate. It became clear during the week that partnerships such as these will be key in creating a more climate-resilient community.

“Thank you from the bottom of my heart for this amazing experience that has shifted my whole perspective about the climate challenges awaiting all of us.”-Santa Rosa Middle School Teacher
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 August 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
September 29, 2022
## Sonoma Clean Power Authority

### Budgetary Comparison Schedule

**Two Months Ended August 31, 2022**

### Revenue and Other Sources:

<table>
<thead>
<tr>
<th>Item</th>
<th>2022/23 YTD Budget</th>
<th>2022/23 YTD Actual</th>
<th>Budget Variance (Under) Over</th>
<th>2022/23 YTD Actual / Budget %</th>
<th>2022/23 Budget Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity (net of allowance) *</td>
<td>$45,688,665</td>
<td>$51,783,434</td>
<td>$6,094,769</td>
<td>113%</td>
<td>$192,616,566</td>
</tr>
<tr>
<td>Evergreen Premium (net of allowance)</td>
<td>432,210</td>
<td>438,089</td>
<td>5,879</td>
<td>101%</td>
<td>1,873,911</td>
</tr>
<tr>
<td>CEC Grant</td>
<td>235,667</td>
<td>90,086</td>
<td>(145,581)</td>
<td>38%</td>
<td>1,323,914</td>
</tr>
<tr>
<td>Interest income</td>
<td>63,333</td>
<td>111,905</td>
<td>48,572</td>
<td>177%</td>
<td>268,095</td>
</tr>
<tr>
<td>Miscellaneous Income</td>
<td>170,833</td>
<td>-</td>
<td>(170,833)</td>
<td>0%</td>
<td>1,025,000</td>
</tr>
</tbody>
</table>

**Total Revenue and Other Sources:**

- **2022/23 YTD Budget:** $46,590,708
- **2022/23 YTD Actual:** $52,423,514
- **Budget Variance:** $5,832,806
- **Actual / Budget %:** 113%
- **2022/23 Budget Remaining:** $197,107,486

### Expenditures and Other Uses:

#### Current Expenditures

<table>
<thead>
<tr>
<th>Item</th>
<th>2022/23 Budget</th>
<th>2022/23 Actual</th>
<th>Variance</th>
<th>% of Budget</th>
<th>Budget Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of energy and scheduling</td>
<td>31,675,080</td>
<td>33,420,905</td>
<td>1,745,825</td>
<td>106%</td>
<td>137,959,095</td>
</tr>
<tr>
<td>Data management</td>
<td>446,167</td>
<td>447,355</td>
<td>1,188</td>
<td>100%</td>
<td>2,229,645</td>
</tr>
<tr>
<td>Service fees - PG&amp;E</td>
<td>163,167</td>
<td>163,171</td>
<td>4</td>
<td>100%</td>
<td>815,829</td>
</tr>
<tr>
<td>Personnel</td>
<td>1,233,762</td>
<td>1,197,905</td>
<td>35,857</td>
<td>97%</td>
<td>6,452,095</td>
</tr>
<tr>
<td>Energy Center, marketing &amp; communications</td>
<td>451,144</td>
<td>368,742</td>
<td>(82,402)</td>
<td>82%</td>
<td>924,593</td>
</tr>
<tr>
<td>Customer service</td>
<td>55,169</td>
<td>34,242</td>
<td>(20,927)</td>
<td>48%</td>
<td>395,432</td>
</tr>
<tr>
<td>General and administration</td>
<td>187,699</td>
<td>215,407</td>
<td>27,708</td>
<td>115%</td>
<td>2,188,258</td>
</tr>
<tr>
<td>Legal</td>
<td>71,667</td>
<td>34,242</td>
<td>(37,425)</td>
<td>48%</td>
<td>395,432</td>
</tr>
<tr>
<td>Regulatory and compliance</td>
<td>86,633</td>
<td>45,618</td>
<td>(41,015)</td>
<td>53%</td>
<td>414,382</td>
</tr>
<tr>
<td>Accounting</td>
<td>43,000</td>
<td>34,000</td>
<td>(9,000)</td>
<td>79%</td>
<td>224,000</td>
</tr>
<tr>
<td>Legislative</td>
<td>36,667</td>
<td>16,000</td>
<td>(20,667)</td>
<td>44%</td>
<td>204,000</td>
</tr>
<tr>
<td>Other consultants</td>
<td>95,167</td>
<td>69,400</td>
<td>(25,767)</td>
<td>73%</td>
<td>501,600</td>
</tr>
<tr>
<td>Industry memberships and dues</td>
<td>130,000</td>
<td>111,839</td>
<td>(18,161)</td>
<td>86%</td>
<td>448,161</td>
</tr>
<tr>
<td>Program implementation</td>
<td>857,107</td>
<td>89,758</td>
<td>(767,349)</td>
<td>10%</td>
<td>5,935,242</td>
</tr>
<tr>
<td>Program - CEC grant</td>
<td>696,667</td>
<td>155,405</td>
<td>(541,262)</td>
<td>22%</td>
<td>4,024,595</td>
</tr>
<tr>
<td>Total Current Expenditures</td>
<td>36,229,096</td>
<td>36,404,451</td>
<td>175,355</td>
<td>100%</td>
<td>162,973,549</td>
</tr>
</tbody>
</table>

#### Other Uses

<table>
<thead>
<tr>
<th>Item</th>
<th>2022/23 Budget</th>
<th>2022/23 Actual</th>
<th>Variance</th>
<th>% of Budget</th>
<th>Budget Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital outlay</td>
<td>100,000</td>
<td>47,698</td>
<td>(52,302)</td>
<td>48%</td>
<td>552,302</td>
</tr>
<tr>
<td>Total Expenditures, Other Uses</td>
<td>36,329,096</td>
<td>36,452,149</td>
<td>123,053</td>
<td>100%</td>
<td>163,525,851</td>
</tr>
<tr>
<td>Net increase (decrease) in available fund balance</td>
<td>$10,261,612</td>
<td>$15,971,365</td>
<td>$5,709,753</td>
<td>$49,553,000</td>
<td>$33,581,635</td>
</tr>
</tbody>
</table>

*Represents sales of approximately 363,000 MWh for 2022/23 YTD actual.

### Reserves

<table>
<thead>
<tr>
<th>Item</th>
<th>Current Balance</th>
<th>% of Long-Term Target</th>
<th>Long-Term Targeted Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Reserve (as of June 30, 2021)</td>
<td>$63,511,000</td>
<td>42%</td>
<td>$152,948,000</td>
</tr>
</tbody>
</table>

See accountants' compilation report.
SONOMA CLEAN POWER AUTHORITY

OPERATING FUND

BUDGET RECONCILIATION TO STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Two Months Ended August 31, 2022

Net increase (decrease) in available fund balance per budgetary comparison schedule: $15,971,365

Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:

- Subtract depreciation expense: $(226,518)
- Add back capital asset acquisitions: $47,698

Change in net position: $15,792,545

See accountants' compilation report.
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 August 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
September 29, 2022
# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of August 31, 2022

### ASSETS

<table>
<thead>
<tr>
<th>Current assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 52,871,155</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance</td>
<td>28,612,103</td>
</tr>
<tr>
<td>Other receivables</td>
<td>1,751,234</td>
</tr>
<tr>
<td>Accrued revenue</td>
<td>14,277,671</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>2,407,410</td>
</tr>
<tr>
<td>Deposits</td>
<td>8,022,981</td>
</tr>
<tr>
<td>Investments</td>
<td>35,245,417</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>143,187,971</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Noncurrent assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>860,520</td>
</tr>
<tr>
<td>Capital assets, net of depreciation</td>
<td>18,557,969</td>
</tr>
<tr>
<td>Deposits</td>
<td>196,256</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td>19,614,745</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>162,802,716</td>
</tr>
</tbody>
</table>

### LIABILITIES

<table>
<thead>
<tr>
<th>Current liabilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued cost of electricity</td>
<td>12,886,064</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>865,367</td>
</tr>
<tr>
<td>Other accrued liabilities</td>
<td>1,388,275</td>
</tr>
<tr>
<td>User taxes and energy surcharges due to other governments</td>
<td>752,440</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>15,892,146</td>
</tr>
</tbody>
</table>

### NET POSITION

<p>| Investment in capital assets                        | 19,418,489 |
| Unrestricted                                        | 127,492,081 |
| <strong>Total net position</strong>                              | $ 146,910,570 |</p>
<table>
<thead>
<tr>
<th>OPERATING REVENUES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity sales, net</td>
<td>$51,783,434</td>
</tr>
<tr>
<td>Evergreen electricity premium</td>
<td>438,089</td>
</tr>
<tr>
<td>Grant revenue</td>
<td>90,086</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>52,311,609</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING EXPENSES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of electricity</td>
<td>33,420,905</td>
</tr>
<tr>
<td>Contract services</td>
<td>1,358,033</td>
</tr>
<tr>
<td>Staff compensation</td>
<td>1,197,905</td>
</tr>
<tr>
<td>General and administration</td>
<td>355,414</td>
</tr>
<tr>
<td>Program rebates and incentives</td>
<td>72,196</td>
</tr>
<tr>
<td>Depreciation</td>
<td>226,516</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>36,630,969</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>15,680,640</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NONOPERATING REVENUES (EXPENSES)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment earnings (loss)</td>
<td>111,905</td>
</tr>
<tr>
<td>Nonoperating revenues (expenses), net</td>
<td>111,905</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHANGE IN NET POSITION</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net position at beginning of period</td>
<td>131,118,025</td>
</tr>
<tr>
<td>Net position at end of period</td>
<td>$146,910,570</td>
</tr>
</tbody>
</table>
CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers  $50,282,641
Other operating receipts  738,231
Payments to electricity suppliers  (37,061,725)
Payments for other goods and services  (2,131,521)
Payments for staff compensation  (1,125,236)
Tax and surcharge payments to other governments  (546,682)
Payments for program rebates and incentives  (301,589)

Net cash provided (used) by operating activities  9,854,119

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets  (152,611)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received  66,105

Net cash provided (used) by investing activities  66,105

Net change in cash and cash equivalents  9,767,613
Cash and cash equivalents at beginning of year  43,103,542
Cash and cash equivalents at end of period  $52,871,155

See accountants' compilation report.
### RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income (loss)</td>
<td>$15,680,640</td>
</tr>
<tr>
<td>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>$226,516</td>
</tr>
<tr>
<td>Revenue adjusted for provision for uncollectible accounts</td>
<td>$1,120,172</td>
</tr>
<tr>
<td>(Increase) decrease in:</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>$(2,836,901)</td>
</tr>
<tr>
<td>Other receivables</td>
<td>$(105,186)</td>
</tr>
<tr>
<td>Accrued revenue</td>
<td>$(845,862)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>$553,833</td>
</tr>
<tr>
<td>Deposits</td>
<td>$(1,910,000)</td>
</tr>
<tr>
<td>Increase (decrease) in:</td>
<td></td>
</tr>
<tr>
<td>Accrued cost of electricity</td>
<td>$(3,712,682)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$(440,343)</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>$2,046,907</td>
</tr>
<tr>
<td>User taxes due to other governments</td>
<td>$77,025</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td><strong>$9,854,119</strong></td>
</tr>
</tbody>
</table>
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: November 3, 2022

Requested Action
Receive legislative and regulatory updates and provide direction as appropriate.

Regulatory Updates
PG&E Submits Application to Form Pacific Generation Subsidiary

On September 28th, PG&E submitted an application with the California Public Utilities Commission seeking approval to transfer generation assets to a new subsidiary, Pacific Generation LLC. The utility’s stated rationale for this proposal is to raise equity capital, deleverage its balance sheet, and avoid issuing additional common stock. PG&E reasons that Pacific Generation, without the liability of PG&E Corporation’s transmission and distribution infrastructure, would be viewed by investors as an entity with less risk.

A 49% ownership stake in all of PG&E’s utility-owned generation, with the exception of Diablo Canyon Power Plant, would be offered to investors. This subsidiary would remain wholly owned by PG&E, with the utility continuing to operate and maintain the facilities. While Pacific Generation would collect revenues, PG&E would continue to bill customers for the costs to own and operate the plants. The Power Charge Indifference Adjustment (PCIA) exit fee would remain in place, with both PG&E and Pacific Generation levying separate PCIA charges, the sum of which would appear as a single line item on customer bills. PG&E states that rates would not be impacted by this transaction and that it would avoid diluting existing shareholders, including the Fire Victim Trust established in their most recent bankruptcy.
Staff have concerns that PG&E's parent corporation may be trying to shield roughly $3 billion in assets from its next bankruptcy. Early exploration of this issue is focused on ensuring the true valuation of all of the assets and liabilities, i.e., not the “book” or “regulatory” values, but what the fraudulent transfer laws call the “fair value.” However, further review of this matter is underway to learn more about how to safeguard future fire victims from having PG&E’s generation assets unethically walled off from their claims. SCP staff will closely monitor this Application to ensure that if it were adopted neither customers nor the climate would be adversely impacted.

Estimated Impact of Diablo Canyon Power Plant Extension

Senate Bill 846 (2022) supports the extension of PG&E’s Diablo Canyon Power Plant (DCPP) to 2030 with a $1.4 billion loan in anticipation of applying for a portion of the $6 billion offered in the U.S. DOE Civil Nuclear Credit Program. DCPP’s Nuclear Regulatory Commission license was set to expire November 2, 2024, for Plant 1 and August 26, 2025, for Plant 2. Under existing law, several revenue streams to replace the end of the capital investment return with the expiration of the license. However, the allocation of certain categories of costs is not always made clear in statute.

Assuming that all costs will be borne by PG&E-territory load serving entities and not spread to those in Southern California or territories served by municipal utilities, the table below shows the change in revenue requirements between the case where DCPP is retired on schedule and the life extension authorized in SB 846.

<table>
<thead>
<tr>
<th></th>
<th>2023 GRC RRQ</th>
<th>Cost/MW H</th>
<th>SB 846 RRQ</th>
<th>Cost/MW H</th>
<th>Increase RRQ</th>
<th>SCP Share of RRQ Increase</th>
<th>PCIA + NBC Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023</td>
<td>$1,246</td>
<td>$0.0712</td>
<td>$1,369</td>
<td>$0.0782</td>
<td>$123</td>
<td>$3.6</td>
<td>$0.0016</td>
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<tr>
<td>2024</td>
<td>$1,208</td>
<td>$0.0690</td>
<td>$1,330</td>
<td>$0.0760</td>
<td>$123</td>
<td>$3.6</td>
<td>$0.0016</td>
</tr>
<tr>
<td>2025</td>
<td>$764</td>
<td>$0.0672</td>
<td>$1,186</td>
<td>$0.0678</td>
<td>$423</td>
<td>$11.5</td>
<td>$0.0051</td>
</tr>
<tr>
<td>2026</td>
<td>$24</td>
<td>$0.0000</td>
<td>$1,003</td>
<td>$0.0573</td>
<td>$979</td>
<td>$27.0</td>
<td>$0.0118</td>
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<tr>
<td>2027</td>
<td>$0</td>
<td>$0.0000</td>
<td>$979</td>
<td>$0.0559</td>
<td>$979</td>
<td>$27.0</td>
<td>$0.0117</td>
</tr>
<tr>
<td>2028</td>
<td>$0</td>
<td>$0.0000</td>
<td>$979</td>
<td>$0.0559</td>
<td>$979</td>
<td>$27.1</td>
<td>$0.0116</td>
</tr>
</tbody>
</table>

Legislative Update

Since the last report on October 6, 2022, the California legislative session has ended. Any updates will be provided verbally at the meeting.
Recommendation
This is an informational item. No action is required.

Background
SCP staff is proposing to launch a Workplace Electric Vehicle Charging Research project. This project will invite local employers to partner with SCP to provide and manage adjustable output (aka ‘grid-enabled’) electric vehicle (EV) chargers at their workplaces.

The purpose is to determine how to deliver a cost-effective workplace charging program that supports grid reliability while focusing on providing access to charging for disadvantaged and low-to-moderate income (LMI) employees who may not have charging capability at home. The research project will help SCP test various dispatching strategies and hardware configurations in anticipation of eventually running a larger regional initiative.

Workplace charging is needed for two reasons:

- Charging during the day when solar power is plentiful helps support our region’s climate goals, aids with grid reliability, and increases our ability to adopt more EVs; and

- Provides access to charging for drivers who live in apartments, condominiums, and rental housing, or otherwise aren’t able to install charging infrastructure at
home. This is critical to aid California’s goal of phasing out the sale of gasoline-powered cars by 2035.

The growth of residential and utility solar generation statewide means there is an abundance of locally-produced renewable energy during the day, which could be beneficial to the grid when coupled with workplace EV charging.

A recent study on reducing the grid impacts of deep EV adoption found that, “shifting drivers from home to daytime charging improves all metrics of grid impact including ramping, use of non-fossil fuel generation, storage requirements and emissions;” and that, “the grid can support more EVs in scenarios with more daytime charging.”1

Disadvantaged and low-income communities have historically received a smaller share of funding for clean vehicles, according to California EV rebate data.2 Often these communities also have a higher amount of multi-family housing, which have rarely provided charging for residents.

One opportunity to offer charging for these residents is to provide reliable and affordable charging at the workplace. Research shows that an employee with access to workplace charging is six times more likely than the average worker to drive electric.3

In order to learn more about the benefits of workplace charging and develop strategies to install and manage chargers at more high-impact charging locations, SCP proposes to offer a turnkey workplace charging installation that will attract partners to the research project.

The goals of the proposed program are to:

- Provide affordable EV charging options for those unable to charge at home.
- Support up to 4 local businesses, nonprofit organizations, California Native American Tribes or public entities that have less access to EV expertise and capital funding.

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1 Powell, S., Cezar, G.V., Min, L. et al., “Charging infrastructure access and operation to reduce the grid impacts of deep electric vehicle adoption,” Nature Energy, September 24, 2022, https://doi.org/10.1038/s41560-022-01105-7


• Gather experience on managing workplace charging installations in order to inform the development of a scalable program for FY 24/25.

Proposed offering to participating employers:

• No to low-cost direct installation of managed chargers, including 10-20 Level 2 charger ports per commercial site and necessary infrastructure and sitework to support the chargers.

• Charger maintenance and management software for 5 years.

• Provide estimated EV charging electricity costs for site.

• Connect hosts of sites that are reviewed but not selected for the research project with Electric Vehicle Infrastructure Training Program (EVITP) electricians and relevant infrastructure incentives (e.g., PG&E’s EV Charge 2 and Inflation Reduction Act rebates) to support installation.

SCP proposes to issue an RFP for evaluation of potential workplace sites, design and construction of charging infrastructure, and long-term monitoring and maintenance of the charging stations.

**Community Advisory Committee Review**

This informational item was presented to the Community Advisory Committee on October 20, 2022. Committee members suggested clarifying that public or government entities would also be eligible, and that the charging installation process should consider future opportunities to install storage or local power generation. Committee members noted EV affordability should be addressed and suggested that fleet electrification could be supported with a similar program.

**Discussion**

Staff proposes to develop and refine a list of potential site partners in collaboration with local government partners and the SB 535 disadvantaged community map.

Criteria for site selection may include:

• Number of employees who work on-site at predictable times during the day.

• Amount of additional electrical upgrades required.
- Demonstrated willingness to partner with SCP, including sharing EV awareness and EV rebate information with employees.

- Location in a low-income community or rural census tract (also making sites eligible for the 30% Alternative Fuel Vehicle Refueling Property Credit) or employing high numbers of low-income people.

- Location in a census tract block group with over 75% low-wage workers.

- Likelihood that sites could be operational by the end of 2023.

SCP staff plans to develop a research plan to collect the information required to design a successful workplace charging program for more participants. Research questions from the plan may include:

- What managed charging strategies can meet the EV charging needs of employees while maximizing the use of abundant renewable energy and minimize stress on the grid?

- Should SCP develop new rates to incentivize daytime EV charging?

- How can site hosts best manage demand for chargers from a growing number of employees driving EVs?

- What is needed to help employees accept time-of-use or demand response (GridSavvy) limitations on charging?

- What are the best dispatch methods and algorithms for adjusting the rates of charging throughout the day?

**Fiscal Impact**

Staff estimates that the research project could cost up to $560k for planning and installation at 4 sites, averaging 15 ports per site for an approximate total of 60 level 2 charger ports, with 5 years of management and maintenance. The final budget would be determined in the RFP process, with any resulting agreement to come to the Community Advisory Committee for review and Board for approval.

The new chargers would provide an opportunity to collect Low Carbon Fuel Standard (LCFS) credits that can be monetized and re-invested in transportation electrification efforts. This will help staff establish a track record for collecting commercial LCFS credits while building a budget over time for more electrification. LCFS revenue of
$330-$650/port per year may be possible over time as employees increase their use of EVs, with a total approximate revenue of up to $390k for 60 level 2 charger ports over 10 years (depending on the market for LCFS credits).

The fiscal impact may also be reduced by selecting sites based on their eligibility for the Alternative Fuel Vehicle Refueling Property Credit, which was updated under the Inflation Reduction Act to provide a 30% credit, up to $100,000 per location, for charging installations in rural and low-income communities starting in 2023.