Sonoma Clean Power

AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, DECEMBER 1, 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 DECEMBER 1, 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 Comment 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.

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 November 3, 2022, Draft Board of Directors Meeting Minutes (Staff Recommendation: Approve) **pg. 7**
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 Proposed Resolution 2022-04 Adopting an Amended Conflict of Interest Code Pursuant to the Political Reform Act of 1974 (Staff Recommendation: Approve) **pg. 19**
5. Approve Updated Board Polices and Tariffs (Staff Recommendation: Approve) **pg. 23**
6. Approve Updated Terms and Conditions and CleanStart Tariff following Pilot Program (Staff Recommendation: Approve) **pg. 27**
7. Approve Board of Directors Meeting Dates for 2023 Calendar Year (Staff Recommendation: Approve) **pg. 29**
8. Approve and Delegate Authority to the CEO or his Designee to Execute the Fifth Amendment to the Agreement with Your SolarMate, Increasing the Not-to-Exceed Amount by $100,000 with a Total-Not-to-Exceed amount of $350,000 through December 31, 2023 (Staff Recommendation: Approve) **pg. 33**
9. Approve the Transfer of Unclaimed Checks Pursuant to California Government Code Section 50053 (Staff Recommendation: Approve) **pg. 37**

BOARD OF DIRECTORS REGULAR CALENDAR

10. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. 41**
11. Receive Legislative and Regulatory Updates and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. 55**
12. Approve and Delegate Authority to the CEO or his Designee to Execute an Agreement for Professional Services with Sacramento Municipal Utility District through August 31, 2024, with a Not-To-Exceed Amount of $125,680 for a Residential and Commercial Community Needs Assessment (Staff Recommendation: Approve) **pg. 59**

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

13. Approve and Delegate Authority to the CEO or his Designee to Negotiate and Execute an Agreement for Professional Services with EVNoire through December 31, 2023, with a Not-To-Exceed Amount of $110,000 for a Transportation and Mobility Community Needs Assessment (Staff Recommendation: Approve) **pg. 63**
14. Approve Parameters to Establish New Customer Rates for Implementation Following Changes to Customer Exit Fees on or After January 1, 2023 (Staff Recommendation: Approve) **pg. 67**

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

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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, 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 WHICH SUSPENDED CERTAIN REQUIREMENTS OF THE BROWN ACT, MEMBERS OF THE BOARD OF DIRECTORS PARTICIPATED IN THE NOVEMBER 3, 2022, MEETING IN PERSON AND BY REMOTE ATTENDANCE.

CALL TO ORDER

(9:04 a.m. - Video Time Stamp: 00:03:30)

Chair King called the meeting to order.

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

Board Members absent: Director Felder was absent with prior notice.

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Neal Reardon, Director of Regulatory Affairs; Rebecca Simonson, Director of Programs; Ryan Tracey, Director of Planning and Analytics; Brant Arthur, Program Manager; and Joshua Nelson, Special Counsel.

BOARD OF DIRECTORS CONSENT CALENDAR

(9:06 a.m. - Video Time Stamp: 00:05:18)

1. Approve October 6, 2022, Draft Board of Directors Meeting Minutes
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
3. Receive Geothermal Opportunity Zone Update

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
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
6. Approve Continued Use of Updated B-6 Rate Effective October 1, 2022

Public Comment: None

9:12 a.m. the Board went into recess due to technical difficulties with sound equipment.

9:17 a.m. the Board reconvened.

Chair King asked for a clarification between the technologies offered by two companies discussed in Item 3 as well as explanation of advanced closed loop geothermal technology. Geof Syphers, CEO, explained the differences and responded that closed-loop technology allows for the collection of steam at surface, condenses it back into water, and sends the water back into the ground. He further added that SCP would bring back a visual description at an upcoming meeting.

Motion to Approve the November 3, 2022, Board of Directors Consent Calendar by Director Bagby

Second: Director Peters

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

ABSENT: Felder

BOARD OF DIRECTORS REGULAR CALENDAR

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

(9:20 a.m. - Video Time Stamp: 00:19:42)

Michael Koszalka, COO, described attendance at the Advanced Energy Center and stated that the Center had recently held a press conference on climate change with Congressman Thompson's office. He discussed the commercial shown as part of SCP's brand awareness campaign and stated that SCP's participation numbers are steady. He also pointed out that power costs are higher than anticipated in the financials. CEO Syphers mentioned that the September heat storm was responsible for the higher costs.

Public Comment: None

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

(9:29 a.m. - Video Time Stamp: 00:28:53)

Neal Reardon, Director of Regulatory Affairs, discussed PG&E applying with the California Public Utilities Commission seeking approval to transfer generation assets to a new subsidiary, Pacific Generation, LLC. and mentioned the first round of feedback was due November 1, 2022. Director Reardon discussed PG&E's plans to install "fast-trip" devices on sections of distribution lines which would shut the system off automatically if necessary.

Director Slayter asked if the CPUC would have jurisdiction over a thrid PG&E bankruptcy and CEO Syphers responded that bankruptcy is primarily handled in federal court, but that the CPUC still has a role in authorizing the rates and cost recovery needed.

Chair King asked if the charges relating to the extension of Diablo Canyon would be passed on to PG&E customers as a transmission cost and Director Reardon responded it would be a non-by-passable charge.

Public Comment: None

9. Receive Overview of Workplace Electric Vehicle Charging Research Project Proposal and Provide Direction as Appropriate

(9:50 a.m. - Video Time Stamp: 00:50:15)

Brant Arthur, Program Manager, introduced this item by pointing to the SCP parking lot as an example of EV charging at the workplace and there has been a lot of interest in EV charging at workplaces. It is the goal of SCP to work with local businesses to allow affordable options for those who cannot charge at home. He stated that SCP would be looking for four businesses to work with.

Director Rogers mentioned having a conversation with a developer about an app that will show the consumer the minimum charge needed and then charge an EV based on the utility rates at the time. CEO Syphers explained that it is difficult because it would require a connection agreement with the user but did state that there are all kinds of new technologies coming.

Director Peters stated that he was concerned that there are not enough EVs in use and this will reflect on the data, he also asked if SCP has partnerships with car dealers. CEO Syphers explained that many of SCP's programs, like this one, require market transformation so we look at short and long-term goals. Director Hopkins asked if publicly owned property would be eligible, and Mr. Arthur stated that this was a great idea. Director Bagby asked how many charging stations would be at each location and Mr. Arthur responded that there would be 10-20 at each site.

Public Comment: None

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

(10:21 a.m. - Video Time Stamp: 01:20:47)

Vice Chair Fudge mentioned the Town of Windsor approved a development of small homes and are requiring that each unit comes with rooftop solar, all electric appliances, and EV chargers.

Chair King mentioned the Petaluma Veteran's Day Parade would be held on November 11, 2022.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(10:23 a.m. - Video Time Stamp: 01:22:33)

Public Comment: None

ADJOURN

(10:24 a.m. - Video Time Stamp: 01:24:03)

The meeting was adjourned by unanimous consent.

Staff Report – Item 02

To:	**Sonoma Clean Power Authority Board of Directors**
From:	**Geof Syphers, CEO**
Issue:	**Authorize Extension of 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:	**December 1, 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

Melanie Bagby

Chair, Sonoma Clean Power Authority

Attest:

Clerk of the Board

APPROVED AS TO FORM:

Special Counsel,
Sonoma Clean Power Authority

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Staff Report - Item 03

To: Sonoma Clean Power Authority Board of Directors

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

Issue: Receive Geothermal Opportunity Zone Update

Date: December 1, 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

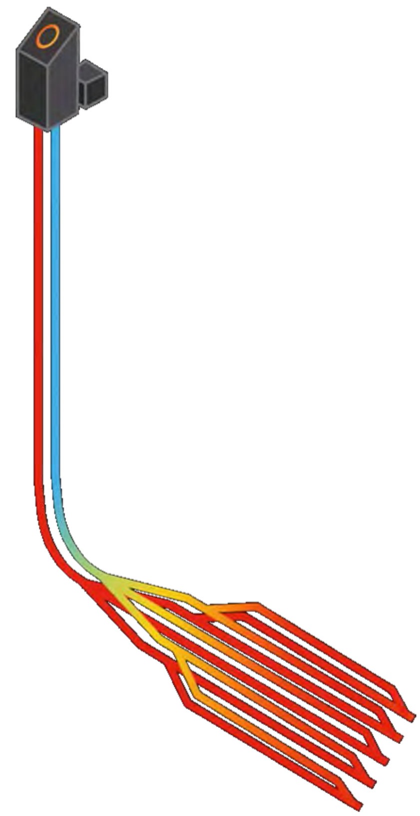
Staff are working on the draft cooperation agreements for the three selected private partners: Eavor Inc., Chevron New Technologies, and Cyrq Energy. Each cooperation agreement will be presented to the CAC and Board for approval before execution, likely early in 2023.

Advanced Closed Loop (ACL) Technology

During the November Board meeting, a question arose concerning the dispatchability of advanced closed loop (ACL) technology (also known as AGS – advanced geothermal system). Staff provided a verbal response, explaining that ACL can store energy subsurface by shutting-in production during solar hours, waiting for subsurface fluids to be heated beyond their non-dispatchable state, and then produced in high-need hours in the evening—where the additional heat enables enhanced generation output.

To increase understanding of ACL technology, staff also share a schematic of an ACL project here. Figure 1 is a graphic from Eavor depicting the configuration of their Eavor-Deep ACL technology. Below is a high-level explanation for how Eavor-Deep works:

Figure 1. Advanced Closed Loop (ACL) Schematic



- Low temperature water descends a cased vertical wellbore deep into the subsurface (blue in graphic)
- The cased vertical well connects to a downhole "radiator" of slightly deviated multi-lateral boreholes with a sufficient surface area to facilitate heat transfer
- A separate set of multi-lateral boreholes connect at the toe to allow heated water (which is lower density) to ascend to surface
- A separate cased vertical wellbore connects to the second set of multi-lateral boreholes and brings the heated water to surface (red in graphic)
- A heat exchanger at the surface transfers heat from the water circulating through the wellbores to a separate working fluid with a lower boiling point (most commonly an organic compound such as pentane) that is used to drive a turbine

Staff encourages those wishing to learn more about ACL to visit Eavor's website, which includes both accessible explanations of their technology and a comprehensive technical library. Eavor also recently released a video on their technology that includes useful visuals of both the construction and operation of ACL.

Transmission Planning

Staff has initiated a project with a transmission consultant to review strategic and tactical considerations for transmission planning in the GeoZone. The consultant will provide staff with guidance on which transmission lines in the GeoZone are likely to have sufficient capacity for pilot projects and for scaling up. Staff is also asking the consultant to characterize larger-scale network upgrades that may be triggered by GeoZone development projects. Although development partners will be expected to lead the interconnection process, first-hand transmission knowledge will enable SCP to effectively advocate for the GeoZone in the CPUC and CAISO's transmission planning processes.

SCP proactively submitted comments in a recent ruling by the CPUC establishing the process and scope of the 2023-2024 transmission planning process. In joint comments with the Redwood Coast Energy Authority, SCP asked the CPUC to increase its expected contribution of geothermal resources in the GeoZone area, accelerate long-lead transmission projects that are inhibiting local resource development (specifically citing a 500 kV Delevan project with a projected 12-year construction time), and consider synergies between building transmission for offshore wind and the GeoZone.

Other News

- The Department of the Treasury asked for feedback on the implementation of the tax credits in the Inflation Reduction Act (IRA) by November 4. SCP submitted comments concerning the eligibility of geothermal projects, the scope of credit enhancements, and the ability for SCP to receive credits as a direct payment.
- SCP was invited to deliver a guest lecture to students at the University of Texas at Austin on the GeoZone. Staff provided eager students an overview of the California energy market, the increasingly important role of Community Choice Aggregation (CCA), and the GeoZone's approach to leveraging a public power provider's community relationships and offtake commitment to promote deployment of new and important energy technologies.
- The California Energy Commission (CEC) is evaluating opportunities to partner with CCAs in applications for the Department of Energy's (DOE) Grid Resilience and Innovation Partnership (GRIP) Programs grant. SCP has been monitoring the GRIP award (which has a total budget of $10.5 billion funded by the Bipartisan Infrastructure Law) and responded to an RFI from DOE in October supporting evaluation criteria compatible with the GeoZone. SCP submitted a two-page summary of GeoZone to the CEC for them to consider as a potential partnership opportunity. SCP and its GeoZone partners may

apply to GRIP regardless of the CEC's interest in partnership.

- The DOE's Office of Clean Energy Demonstrations released the Funding Opportunity Announcement (FOA) for $350 million of funding for long-Duration energy storage on November 14, 2022. SCP and Cyrq Energy have been anticipating the release of the FOA and believe thermal storage at the Geysers is a strong candidate. Cyrq and SCP will be collaborating on drafting a letter of intent in December and submitting a full grant application in March. SCP will be seeking letters of support from member jurisdictions and community organizations.

Staff Report – Item 04

To: Sonoma Clean Power Authority Board of Directors

From: Darin Bartow, Clerk of the Board

Issue: Approve Proposed Resolution 2022-04 Adopting an Amended Conflict of Interest Code Pursuant to the Political Reform Act of 1974

Date: December 1, 2022

Recommendation

Adopt Resolution No. 2022-04 amending the Conflict of Interest Code pursuant to the Political Reform Act of 1974.

Summary

Pursuant to Section 87306.5 of the Political Reform Act (the "Act"), the Fair Political Practices Commission ("FPPC") directed the Authority to: (1) conduct a review of the Authority's Conflict of Interest Code ("Code") to determine if a change in the Code was necessary; and (2) amend the Authority's Code pursuant to the Act, if necessary.

During the review process, staff found that updates and amendments to the Authority's Conflict of Interest Code are necessary.

Attached is a redlined version of the proposed amended Code showing the changes to be made to the Authority's Code to bring it current. The revisions are based on the need to include new positions that must be designated, revises titles of existing positions, and deletes titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions.

Background

The Political Reform Act of 1974, Government Code Section 81000 et seq. (the "Act"), requires all public agencies to adopt and maintain a Conflict of Interest Code. The Act further requires that agencies regularly review and update their Codes as necessary when directed by the code-reviewing body or when change is necessitated by changed circumstances (Sections 87306 and 87306.5). The FPPC is the Authority's code-reviewing body and directed that the Code be reviewed as required under the Act.

Attachments

- Resolution of Adoption
- Legislative (redlined) version of proposed amended Conflict of Interest Code, available at this link or by request to the Clerk of the Board

RESOLUTION NO. 2022-04

RESOLUTION OF THE BOARD OF EDUCATION OF THE SONOMA CLEAN POWER AUTHORITY AMENDING THE CONFLICT OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974

WHEREAS, the State of California enacted the Political Reform Act of 1974, Government Code Section 81000 et seq. (the "Act"), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the Sonoma Clean Power Authority (the "Authority") and requires all public agencies to adopt and promulgate a conflict of interest code; and

WHEREAS, the Board of Directors adopted a Conflict of Interest Code (the "Code") which was amended on August 3, 2017, in compliance with the Act; and

WHEREAS, subsequent changed circumstances within the Authority have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update the Authority's Code; and

WHEREAS, the potential penalties for violation of the provisions of the Act are substantial and may include criminal and civil liability, as well as equitable relief which could result in the Authority being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

WHEREAS, notice of the time and place of a public meeting on, and of consideration by the Board of Directors of, the proposed amended Code was provided each affected designated position and publicly posted for review at the offices of the Authority and establishing a 45-day comment period in compliance with Title 2 California Code of Regulations, section 18750(a)(3); and

WHEREAS, a public meeting was held upon the proposed amended Code at a regular meeting of the Board of Directors on October 1, 2022, at which all present were given an opportunity to be heard on the proposed amended Code.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto and shall be on file with the Clerk of the Board, with a complete copy of the Authority's Conflict of Interest Code and available to the public for inspection and copying;

BE IT FURTHER RESOLVED that the said amended Code shall be submitted to the Fair Political Practices Commission for approval and said Code shall become effective immediately after the Fair Political Practices Commission approves the proposed amended Code as submitted.

APPROVED AND ADOPTED this 1st day of December 2022.

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

In alphabetical order by jurisdiction

Dave King,
Chair, Sonoma Clean Power Authority

Geof Syphers,
Chief Executive Officer,
Sonoma Clean Power Authority

ATTEST:

Clerk of the Board
Sonoma Clean Power Authority

Sonoma Clean Power

Staff Report – Item 05

To: Sonoma Clean Power Authority Board of Directors

From: Erica Torgerson, Director of Customer Service
Danielle McCants, Customer Operations Manager

Issue: Approve Updated Board Polices and Tariffs

Date: December 1, 2022

Requested Action

Request the Board of Directors approve updated Board policies and tariffs.

Background

In 2013, SCPA's Board of Directors created policies to promote the best interests of the Agency through overseeing the management of the Agency's business and affairs. Over the years, these policies were updated, and new policies were created and adopted by SCPA's Board of Directors.

In 2020, SCPA's Board of Directors approved SCPA Tariffs for CleanStart, EverGreen, and NetGreen.

Community Advisory Committee Review

The Community Advisory Committee unanimously voted to recommend the updated policies and tariffs be approved by the Board.

SCPA Board Ad Hoc on Policies:

On November 2, 2022, an ad hoc committee of the Board (Jackie Elward, Dan Gjerde and Mark Landman) met with staff and reviewed SCPA Board policies. The ad hoc recommend the changes in this report.

Discussion:

The ad hoc committee recommends the following changes to its Board approved policies and tariffs. See redlines attached.

Customer Service Policy A.6 Emergency Consumer Protection Policy	See redlines attached.
Customer Service Policy A.6a 2020 Covid-19 Emergency Consumer Protection Policy	See redlines attached.
Customer Service Policy A.6b 2020 Lightning Complex Fires Emergency Consumer Protection Policy	Expired September 30, 2021. No action required.
Customer Service Policy A.6c: 2020 August Complex Fires Emergency Consumer Protection Policy	Expired September 30, 2021. No action required.
Customer Service Policy A.6d: 2020 Oak Fire Emergency Consumer Protection Policy	Expired October 31, 2021. No action required.
Customer Service Policy A.6e 2020 Glass Incident (Shady Fire) Emergency Consumer Protection Policy	Expired October 31, 2021. No action required.
Financial Policy B.3 Accounts Receivable Reserve Adopted: November 7, 2013	Request to retire Financial Policy B.4 as Accounts Receivable are already required under GAAP accounting. See redlines attached.
Financial Policy B.4 Bad Debt Adopted: November 7, 2013	Request to retire Financial Policy B.4 as Bad Debt are already required by GAAP accounting. See redlines attached.
NetGreen Tariff Net Energy Metering Program	See redlines attached.

Fiscal Impact

None.

Attachments

- Customer Service Policy A.6 - Emergency Consumer Protection Policy, available at this link or by request to the Clerk of the Board
- Customer Service Policy A.6a - 2020 Covid-19 Emergency Consumer Protection Policy, available at this link or by request to the Clerk of the Board
- Customer Service Policy A.6b - 2020 Lightning Complex Fires Emergency, available at this link or by request to the Clerk of the Board
- Customer Service Policy A.6c - 2020 August Complex Fires Emergency Consumer Protection Policy, available at this link or by request to the Clerk of the Board
- Customer Service Policy A.6d - 2020 Oak Fire Emergency Consumer Protection Policy, available at this link or by request to the Clerk of the Board
- Customer Service Policy A.6e - 2020 Glass Incident (Shady Fire) Emergency Consumer Protection Policy, available at this link or by request to the Clerk of the Board
- Financial Policy B.3 - Accounts Receivable Reserve, available at this link or by request to the Clerk of the Board
- Financial Policy B.4 - Bad Debt, available at this link or by request to the Clerk of the Board
- NetGreen Tariff - Net Energy Metering Program, available at this link or by request to the Clerk of the Board

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Sonoma Clean Power

Staff Report – Item 06

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

From: **Danielle McCants, Customer Operations Manager**

Issue: **Approve Updated Terms and Conditions and CleanStart Tariff following Pilot Program**

Date: **December 1, 2022**

Recommendation

Approve updated Terms and Conditions and CleanStart Tariff effective January 1, 2023, in which the one-time termination fee of $5 per residential account or $25 per commercial account for opt outs outside the first 60 days of SCP service is reinstated.

Background

The Board of Directors approved updated Terms and Conditions and CleanStart Tariff at the October 7, 2021, meeting suspending the one-time termination fee of $5 per residential account or $25 per commercial account for opt outs outside the first 60 days of SCP service. The approved updated Terms and Conditions and CleanStart Tariff became effective January 1, 2022, and is slated to be in effect through the end of 2022. The termination fee is normally collected to cover processing and administrative costs. The suspension of the fee was a pilot to determine whether the termination fee had an impact on opt outs.

Community Advisory Committee Review

The Community Advisory Committee voted unanimously on November 17, 2022, to recommend that the Board of Directors approve updated Terms and Conditions and CleanStart Tariff effective January 1, 2023, reinstating the fees.

Discussion

The goal of the pilot was to determine whether the termination fee impacted opt outs. After analyzing 2021 data, in which the termination fee was in place, compared to 2022 data, through the end of September 2022, staff found that opt outs were unaffected by the elimination of the fee. In both years, customer opt outs peak three weeks from the customers start date and taper off after 8 weeks on SCP service. Average weekly opt outs (through September 2022) remained consistent with weekly averages of years past. Reinstating the termination fee will help cover the processing and administrative costs associated with the change in account status.

If approved, SCP's Terms and Conditions, CleanStart Tariff, move-in notices, talking points, and Customer Service Representative (CSR) script would need to be updated. Additionally, there would be a process revision needed by Calpine, SCP's billing vendor.

Fiscal Impact

The fiscal impact for the current calendar year through September is a loss of revenue of $10,720. Reinstating the termination fee would increase revenue approximately $13,766. Actual revenue will be based on opt out actuals.

Year	Avg. Weekly Opt Out	Residential Opt Out	Commercial Opt Out	Revenue Collected
2020	41.62	1,975	189	$14,600
2021	45.8	2,181	203	$15,980
	Avg. Weekly Opt Out through September	Residential Opt Out through September	Commercial Opt Out through September	Loss of Revenue through September
2022	40.2	1,374	154	$10,720
	Avg. Weekly Opt Out (Estimated)	Residential Opt Out (Estimated)	Commercial Opt Out (Estimated)	Revenue (Estimated)
2023	42.5	1,843	182	$13,766

Attachments

- Attachment A – Proposed Updated Terms and Conditions, available at this link or by request to the Clerk of the Board
- Attachment B – Proposed Updated CleanStart Tariff, available at this link or by request to the Clerk of the Board

Staff Report – Item 07

To:	**Sonoma Clean Power Authority Board of Directors**
From:	**Stephanie Reynolds, Director of Internal Operations**
Issue:	**Approve Board of Directors Meeting Dates for 2023 Calendar Year**
Date:	**December 1, 2022**

Recommendation

Approve Board of Directors Meeting Dates for 2023 Calendar Year.

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 No. 2022-02 on July 7, 2022, establishing a time and place for regular meetings of the Board of Directors. While the September meeting has been cancelled in years past, due to a heavy legislative schedule, the date is set as a placeholder.

Discussion

The proposed schedule, included as an attachment, would largely maintain the regular meeting schedule established by your Board. Staff anticipates conducting hybrid meetings under AB 361, which suspends certain requirements of the Brown Act due to the COVID-19 pandemic.

Attachments

- SCP Resolution No. 2022-02
- Proposed 2023 SCPA Board of Directors Meeting Schedule

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	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

David C. King

David King, Chair, Sonoma Clean Power Authority

Attest:

Darin A. Bartow

Darin Bartow, Clerk of the Board

APPROVED AS TO FORM:

JN

Joshua Nelson, Special Counsel,
Sonoma Clean Power Authority

Sonoma Clean Power Authority
Board of Directors
Schedule of Meetings
January – December 2023
9:00 a.m. – Noon

(The SCPA normally meets on the 1st Thursday of each month)

January 5, 2023

February 2, 2023

March 2, 2023

April 6, 2023

May 4, 2023

June 1, 2023

July 6, 2023

August 3, 2023

September 7, 2023

October 5, 2023

November 2, 2023

December 7, 2023

Sonoma Clean Power

Staff Report – Item 08

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

From: **Carolyn Glanton, Programs Operations Manager**

Issue: **Approve and Delegate Authority to the CEO or his Designee to Execute the Fifth Amendment to the Agreement with Your SolarMate, Increasing the Not-to-Exceed Amount by $100,000 with a Total-Not-to-Exceed amount of $350,000 through December 31, 2023**

Date: **December 1, 2022**

Recommendation

Approve and delegate authority to the CEO or his designee to execute the fifth amendment to the agreement with Your SolarMate for Self-Generation Incentive Program (SGIP) application processing increasing the not-to-exceed amount by $100,000 to a total of $350,000 through December 31, 2023. This amendment would add one additional year to the term.

Background

To enable residential customers to strengthen their energy resilience, SCP's Assistance Program helps participating contractors with SGIP paperwork and the application process.

In 2019, at the encouragement of the Board of Directors to engage on resiliency, staff met with representatives of local battery storage installers. The local battery storage installers shared obstacles with the California Public Utility Commission's (CPUC) Self-Generation Incentive Program (SGIP). One main issue for installers is the difficult and time-consuming application process. A main obstacle for customers is the long amount of time between submitting the rebate form and receiving the incentives. Incentives are released after the project is complete and can take many months or even years.

In February 2020, the Community Advisory Committee (CAC) recommended the Board of Directors delegate authority to the CEO to negotiate, execute and amend a

Professional Services Agreement with Your SolarMate, originally in the amount of $100,000. The scope of work included submitting SGIP applications on behalf of the installer. Your SolarMate was selected from a competitive Request for Qualifications (RFQ) process. In March 2020, the Board of Directors delegated authority to the CEO to negotiate, execute, and amend a Professional Services Agreement with Your SolarMate.

In April 2020, SGIP introduced the Equity Resiliency rebate, a new category of funding. This new addition created new program requirements and processes. The First Amendment was executed on April 29, 2020, which updated the scope of work to clarify program design changes. It also amended the fee schedule, adding a new fee for processing Equity Resiliency applications.

The Second Amendment was executed on September 3, 2020. This amendment updated the fee schedule for processing Equity Resiliency applications, a result of numerous new application requirements and elements that were added to the Statewide program application process.

The Third Amendment added $150,000 to the not-to-exceed agreement amount and extended the agreement term through December 31, 2021. This was recommended by the CAC in October 2020 and approved by the Board in November 2020.

The Fourth Agreement, dated December 1, 2021, extended the agreement term through December 31, 2022.

Staff have received comments from battery installers who are grateful for help with the application free of charge and from customers who otherwise would not have been able to install battery systems. The tables below represent the success the program has had to date.

Funding	**Through 11/3/2022**
Total upfront incentives SCP has provided to customers since launch	$2,266,642.52
SGIP incentives SCP has received from PG&E to date	$1,132,435.15
SGIP incentives PG&E still owes SCP to date	$1,134,207.37

Project Status	Number of Projects as of 11/3/22
Active	47
Cancelled	38
On-Hold	3
Completed	108
Total	196

Community Advisory Committee Review

The Committee recommended that the Board approve and delegate authority to the CEO or his designee to execute the fifth amendment to the agreement with Your SolarMate for Self-Generation Incentive Program (SGIP) application processing.

Discussion

This amendment to the Agreement with Your SolarMate will increase the not-to-exceed amount by $100,000, increasing the total agreement to $350,000. This amendment will also extend the term of the agreement from December 31, 2022, to December 31, 2023.

Your SolarMate is an expert in SGIP and stays current on all program changes. The project intake process is continuously refined to increase efficiency for all parties involved. Your SolarMate staff work with the contractor, fill out all necessary applications, upload supporting documentation, and are the main point of contact with the program administrators until the incentives are issued. Extending the agreement amount and term will increase SCP customers resilience and assist local battery storage installers.

Fiscal Impact

$27,000 of the $100,000 requested is in the FY22/23 existing programs budget. The remaining $73,000 would need to be approved as part of the FY23/24 budget.

Attachments

- Attachment A – Partially executed Fifth Amendment to an Agreement with Your SolarMate, available at this link or by request to the Clerk of the Board

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Sonoma Clean Power

Staff Report – Item 09

To: Sonoma Clean Power Authority Board of Directors

From: Danielle McCants, Customer Operations Manager
Erica Torgerson, Director of Customer Service

Issue: Approve the Transfer of Unclaimed Checks Pursuant to California Government Code Section 50053

Date: December 1, 2022

Recommended Action

Approve the transfer of unclaimed checks from the respective unclaimed fund to SCPA's general operating account pursuant to California Government Code Section 50053.

Background

Following the 2017 Northern California Wildfires, pursuant to CPUC Resolution M-4833, E-4899 and Advice Letter 3914-G-A/5186-E-A, PG&E adopted their Emergency Consumer Protection Plan to support customers who were affected by the October 2017 Northern California Wildfires. SCP adopted its own policy, "October 2017 California Wildfires Customer Protections Internal Policy I.8", which established a series of billing and service modifications and credit relief to support customers recovering from the immediate aftermath of the October 2017 Northern California Wildfires. The customer protections were aimed to help SCP customers who experienced housing or financial crises due to the 2017 wildfires. One such action was refunding payment(s) made after October 7, 2017, for SCP electric generation charges. Due to destruction of the fires, many checks were addressed to invoice addresses on file that no longer existed (i.e., fire impacted address) thus, many checks were returned or left uncashed.

Additionally, SCP compensates net energy metering customers through our NetGreen offering for customers with on-site generation such as solar. SCP provides checks via mail to two subsets of NetGreen customers. The first is to active customers who are eligible for an annual cash out amount that is over $100. Historically, and for the purposes of the current unclaimed funds, this is for customers with a retail balance over $100 during the spring cash out.*

The second set of NetGreen customers that receive a check from SCP are customers with closed accounts. If a customer moves, terminates their electric service, or changes electricity providers, SCP will mail the customer a check for any accrued NetGreen credits, up to a maximum of $5,000 per account, to the PG&E mailing address, unless another address is provided by the customer.

Annually, during the first quarter, SCP will review all returned/stale checks from unclaimed funds from the previous year and will attempt to contact the customer to acquire a current mailing address to reissue the check to. SCP attempts contact using any available information (i.e. phone call and/or email). Following failed attempts, the funds are handled as "unclaimed funds" as provided by California law.

*NetGreen 2.0 that uses a premium net surplus compensation model was enacted in 2020 and is not included in the unclaimed funds for this year as it hasn't met the three-year threshold which is discussed in more detail in the Discussion section below.

Community Advisory Committee Review

The Community Advisory Committee voted unanimously on November 17, 2022, to recommend that the Board of Directors approve the transfer of unclaimed checks from the respective unclaimed fund to SCPA's general operating account.

Discussion

The unclaimed funds procedure was established to provide the proper mechanism to take possession of long-standing unclaimed checks in accordance with government statutes and to ensure the propriety of the related account transactions.

Pursuant to Government Code Section 50050 - 50057, funds that are not the property of SCPA that remain unclaimed for three years become SCPA property after public notice is made and if not claimed or if no verified complaint is filed and served. After the three-year period, SCPA may cause a notice to be published once a week for two successive weeks in a newspaper of general circulation. The notice will state the amount of money, the fund in which it is held, and that it is proposed that the money will become property of SCPA on a designated date not less than 45 days nor more than 60 days after the first publication of the notice.

SCPA's unclaimed funds listing ran in the Press Democrat and Ukiah Daily Journal on Sunday, September 11, 2022, and Sunday, September 18, 2022. SCPA does not create a separate fund or bank account for the monies, rather, SCPA creates a specific accounting item to track the balances. As such, the accounting item description was used for noticing in addition to noting that funds are held in the Operating Account. Attachment A shows the listing of checks that remain unclaimed.

Fiscal Impact

The initial unclaimed fund amount was $16,149.20. Of that, $4,132.76 was claimed by payees, leaving a final unclaimed balance of $12,016.44. Approval of this transfer will increase SCPA's operating income by $12,016.44.

Attachments

- Attachment A – Listing of Unclaimed Funds, available at this link or by request to the Clerk of the Board
- Attachment B – Proof of Publication, Press Democrat, available at this link or by request to the Clerk of the Board
- Attachment C – Proof of Publication, Ukiah Daily Journal, available at this link or by request to the Clerk of the Board

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Sonoma Clean Power

Staff Report – Item 10

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: **December 1, 2022**

CALIFORNIA ELECTRIC VEHICLE INCENTIVE PROGRAM

In 2019, SCP received $5.1 million in EV charging incentives from the California Energy Commission's (CEC) California Electric Vehicle Incentive Program (CALeVIP). SCP then partnered with the Northern Sonoma County Air Pollution Control District to add another $1.5 million in incentives for public Level 2 and DC Fast Charging sites.

Since the program's launch, 72 new EV charging stations throughout Sonoma and Mendocino counties have been installed and are now live, including 9 DC fast chargers and 63 Level 2 chargers. The photos below show installed chargers in Petaluma.

An additional 48 DC fast chargers and 61 Level 2 chargers are funded for completion in 2023. The program's 181 chargers represent a nearly 20% increase for the region, where an estimated 954 chargers are currently available to the public.

In July 2022, SCP dedicated an additional $800,000 in local funding to support building fast chargers in areas that were not covered or served by the sites initially funded through CALeVIP. California's ambitious goal is to have 250,000 public EV chargers by 2025.

On October 13th, SCP distributed a press release on the program (see attached) to better inform the public on SCP's involvement in expanding EV charging efforts.

CALCCA ANNUAL REPORT

The CalCCA 2021-2022 Annual Report has been published and may be accessed by the following link: https://fliphtml5.com/gufon/ztly/

MONTHLY COMPILED FINANCIAL STATEMENTS

The year-to-date change in net position is less than projections. Year-to-date revenue from electricity sales exceeded budget by 14% and cost of energy exceed budget projections by 27%. Year-to-date electricity sales reached $77,928,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive $144,8951,000, 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 ahead of budget by approximately 14% at the end of the reporting period. The cost of electricity is more than the budget-to-date by approximately 27%. 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

- CALeVIP Press Release
- September 2022 Financials

UPCOMING MEETINGS

- Board of Directors – December 1, 2022
- Community Advisory Committee – December 15, 2022
- Board of Directors – January 5, 2023

FOR IMMEDIATE RELEASE
Kate Kelly, Director of Public Relations, Sonoma Clean Power
kkelly@sonomacleanpower.org | 707.486.2952

Laura Lance / Reilly Payne, Studio PR
laura@studiopr.com / reilly@studiopr.com | 707.477.6606 / 415.686.2338

New Public Charging Stations to Enable More EV Drivers

SANTA ROSA, CALIF., October 13, 2022 – Sonoma Clean Power (SCP), the public power provider for Sonoma and Mendocino counties, is working to improve access to public charging for current and prospective electric vehicle (EV) drivers.

With the recent passage of the Federal Inflation Reduction Act, more people are considering the switch to EVs than ever before. However, finding convenient locations for charging remains a concern or barrier for many, especially renters.

In 2019, SCP received a $6.75 million grant from the California Energy Commission's (CEC) California Electric Vehicle Incentive Program (CALeVIP) to expand the local network of EV chargers by partnering with businesses, nonprofits, multi-family properties, tribal governments, and government entities.

Qualifying sites receive rebates to help cover equipment and installation costs for Level 2 connectors and direct current (DC) fast chargers. Funding for the program comes from the CEC, SCP, and the Northern Sonoma County Air Pollution Control District, and is managed by the state's CALeVIP administrator, the Center for Sustainable Energy.

Since the program's launch, 72 new EV charging stations throughout Sonoma and Mendocino counties have been installed and are now live, including 9 DC fast chargers and 63 Level 2 chargers.[1]

An additional 48 DC fast chargers and 61 Level 2 chargers are funded for completion in 2023. **The program's 181 chargers represent a nearly 20% increase for the region**, where an estimated 954 chargers are currently available to the public.[2]

California's ambitious goal is to have 250,000 public EV chargers by 2025.

In July 2022, SCP dedicated an additional $800,000 in local funding to support building fast chargers in areas that were not covered or served by the sites initially funded through CALeVIP.

[1] CALeVIP Rebate Statistics Dashboard
[2] California Energy Commission Electric Vehicle Chargers in CA Dashboard

“We want people to have access to EV charging options near the places they live and work,” says Brant Arthur, a Program Manager at SCP. “With this funding, our focus is on filling in public charging gaps along rural highways and near multi-family housing.”

Since its launch in 2014, SCP has spearheaded several efforts aimed at electrifying local transportation. Most notably, SCP’s three-year Drive EV incentive program accelerated EV adoption by helping over 1,250 customers make the switch. SCP also offers every customer a free Level 2 EV charger for their home, with over 3,900 customers taking advantage of the incentive to date.

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About Sonoma Clean Power

Sonoma Clean Power is the public power provider for Sonoma and Mendocino counties, serving about half a million people. In downtown Santa Rosa, SCP operates the only Advanced Energy Center in the United States dedicated to helping customers transition to 100% renewable energy for their homes, businesses, and vehicles. SCP is also the only power provider in California offering 100% local, renewable electricity twenty-four hours per day, every day of the year. To learn more, visit sonomacleanpower.org or call 1 (855) 202-2139.

MAHER ACCOUNTANCY

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 September 30, 2022, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

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

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

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

Maher Accountancy

San Rafael, CA
October 26, 2022

1101 Fifth Avenue, Suite 200 San Rafael, CA 94901 415 459 1249 mahercpa.com

SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Three Months Ended September 30, 2022

	2022/23 YTD Budget	2022/23 YTD Actual	2022/23 YTD Budget Variance (Under) Over	2022/23 YTD Actual / Budget %	2022/23 Budget	2022/23 Budget Remaining
REVENUE AND OTHER SOURCES:						
Electricity (net of allowance) *	$ 67,605,663	$ 77,259,562	$ 9,653,899	114%	$ 244,400,000	$ 167,140,438
Evergreen Premium (net of allowance)	639,543	668,705	29,162	105%	2,312,000	1,643,295
CEC Grant	353,500	90,086	(263,414)	25%	1,414,000	1,323,914
Interest income	95,000	185,707	90,707	195%	380,000	194,293
Miscellaneous Income	256,250	-	(256,250)	0%	1,025,000	1,025,000
Total revenue and other sources	68,949,956	78,204,060	9,254,104	113%	249,531,000	171,326,940
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	46,895,546	59,758,533	12,862,987	127%	171,380,000	111,621,467
Data management	669,250	671,216	1,966	100%	2,677,000	2,005,784
Service fees- PG&E	244,750	244,222	(528)	100%	979,000	734,778
Personnel	1,850,644	1,787,489	(63,155)	97%	7,650,000	5,862,511
Energy Center, marketing & communications	676,716	551,252	(125,464)	81%	2,557,000	2,005,748
Customer service	87,753	59,306	(28,447)	68%	291,000	231,694
General and administration	280,799	296,044	15,245	105%	1,140,000	843,956
Legal	107,500	53,557	(53,943)	50%	430,000	376,443
Regulatory and compliance	129,950	61,682	(68,268)	47%	460,000	398,318
Accounting	64,500	51,000	(13,500)	79%	258,000	207,000
Legislative	55,000	24,000	(31,000)	44%	220,000	196,000
Other consultants	142,750	82,873	(59,877)	58%	571,000	488,127
Industry memberships and dues	167,500	138,770	(28,730)	83%	560,000	421,230
Program implementation	1,114,802	242,223	(872,579)	22%	6,025,000	5,782,777
Program - CEC grant	1,045,000	65,059	(979,941)	6%	4,180,000	4,114,941
Total current expenditures	53,532,460	64,087,226	10,554,766	120%	199,378,000	135,290,774
OTHER USES						
Capital outlay	150,000	49,953	(100,047)	33%	600,000	550,047
Total Expenditures, Other Uses	53,682,460	64,137,179	10,454,719	119%	199,978,000	135,840,821
Net increase (decrease) in available fund balance	$ 15,267,496	$ 14,066,881	$ (1,200,615)		$ 49,553,000	$ 35,486,119

** Represents sales of approximately 546,000 MWh for 2022/23 YTD actual.*

RESERVES	Current Balance	% of Long-Term Target	Long-Term Targeted Balance
Operating Reserve (as of June 30, 2021)	$ 63,511,000	42%	$ 152,948,000

SONOMA CLEAN POWER AUTHORITY

OPERATING FUND
BUDGET RECONCILIATION TO STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Three Months Ended September 30, 2022

Net increase (decrease) in available fund balance per budgetary comparison schedule:	$	14,066,881
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:		
Subtract depreciation expense		(339,591)
Add back capital asset acquisitions		49,953
Change in net position	$	13,777,243

MAHER
ACCOUNTANCY

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

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

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

Maher Accountancy

San Rafael, CA
October 26, 2022

1101 Fifth Avenue, Suite 200 San Rafael, CA 94901 415 459 1249 mahercpa.com

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION
As of September 30, 2022

ASSETS	
Current assets	
Cash and cash equivalents	$ 58,634,864
Accounts receivable, net of allowance	32,445,708
Other receivables	2,027,584
Accrued revenue	13,016,815
Prepaid expenses	1,777,162
Deposits	7,939,203
Investments	35,245,417
Total current assets	151,086,753
Noncurrent assets	
Land	860,520
Capital assets, net of depreciation	18,447,150
Deposits	196,256
Total noncurrent assets	19,503,926
Total assets	170,590,679
LIABILITIES	
Current liabilities	
Accrued cost of electricity	19,113,184
Accounts payable	1,317,630
Advanced from grantors	3,074,682
Other accrued liabilities	1,372,728
User taxes and energy surcharges due to other governments	817,187
Total current liabilities	25,695,411
NET POSITION	
Investment in capital assets	19,307,670
Unrestricted	125,587,598
Total net position	$ 144,895,268

See accountants' compilation report.

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Three Months Ended September 30, 2022

OPERATING REVENUES		
Electricity sales, net	$	77,259,562
Evergreen electricity premium		668,705
Grant revenue		90,086
Total operating revenues		78,018,353
OPERATING EXPENSES		
Cost of electricity		59,758,533
Contract services		1,949,477
Staff compensation		1,787,489
General and administration		469,407
Program rebates and incentives		122,320
Depreciation		339,591
Total operating expenses		64,426,817
Operating income (loss)		13,591,536
NONOPERATING REVENUES (EXPENSES)		
Investment earnings (loss)		185,707
Nonoperating revenues (expenses), net		185,707
CHANGE IN NET POSITION		13,777,243
Net position at beginning of period		131,118,025
Net position at end of period	$	144,895,268

See accountants' compilation report.

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS
Three Months Ended September 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 73,746,600
Other operating receipts	4,518,613
Payments to electricity suppliers	(56,675,618)
Payments for other goods and services	(2,512,370)
Payments for staff compensation	(1,728,838)
Tax and surcharge payments to other governments	(811,898)
Payments for program rebates and incentives	(963,324)
Net cash provided (used) by operating activities	15,573,165
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments to acquire capital assets	(158,850)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income received	117,007
Net cash provided (used) by investing activities	117,007
Net change in cash and cash equivalents	15,531,322
Cash and cash equivalents at beginning of year	43,103,542
Cash and cash equivalents at end of period	$ 58,634,864

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS (continued)
Three Months Ended September 30, 2022

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

Operating income (loss)	$ 13,591,536
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	339,591
Revenue adjusted for provision for uncollectible accounts	1,670,701
(Increase) decrease in:	
Accounts receivable	(7,221,032)
Other receivables	(358,636)
Accrued revenue	414,994
Prepaid expenses	1,184,081
Deposits	(1,826,222)
Increase (decrease) in:	
Accrued cost of electricity	2,148,606
Accounts payable	15,901
Advanced from grantors	3,074,682
Accrued liabilities	2,172,191
User taxes due to other governments	141,772
Supplier security deposits	225,000
Net cash provided (used) by operating activities	$ 15,573,165

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Sonoma Clean Power

Staff Report – Item 11

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:	**December 1, 2022**

Requested Action

Receive legislative and regulatory updates and provide direction as appropriate.

Regulatory Updates

CPUC Issues Revised Proposal to Modify Net Energy Metering

On November 10, 2022, the CPUC issued much-awaited revisions to their Proposed Decision modifying net energy metering 2.0 ("NEM 2.0") and replacing it with "Net Billing." These tariffs are what allow customers with onsite renewable generation – often solar systems on their roofs – to receive financial credits for the energy they produce. The original NEM, now referred to as NEM 1.0, was first established via SB 656 in 1995. It was revised in 2013, with the resulting "NEM 2.0" still paying customers the full retail rate for energy exported to the grid but levying fixed monthly charges and a one-time interconnection fee. The decision adopting NEM 2.0 established 2019 as the time for review, specifically to ensure that non-participating customers are not paying increased bills as a result of the support provided to NEM customers.

The rationale for the proposed changes is that NEM 2.0 has been found to negatively impact non-participating customers and is not cost-effective, the successor tariff is designed to promote equity, inclusion, electrification, and paired storage and provide a glide path so the industry can transition. CPUC modeling estimates that rooftop solar systems will no longer provide the ~5-year payback they do today, and the revised export rate is expected to allow for an average residential customer to break even on their initial investment in 9 years. Also of note, the Proposed Decision acknowledges that even with the reductions in credits proposed, Net Billing customers would remain subsidized by non-participating customers.

The original Proposed Decision, issued in December of 2021, was supported by investor-owned utilities but strongly opposed by the majority of stakeholders. At the direction of this Board, SCP issued a public letter urging the Commission to modify that proposal to better value solar energy and protect existing NEM customers by honoring their NEM 1.0 and NEM 2.0 agreements. The recently issued Proposed Decision incorporates many of the changes sought by SCP. Specifically, it now proposes:

• Honoring existing NEM customer tariffs and only making modifications for future customers who apply for interconnection after April 15, 2023

> Note: these agreements are tied to the original owner of the system and not the property; if an existing NEM customer sells their property, the new owner will not continue to receive service under NEM 1.0 or 2.0 and will instead receive service under the new Net Billing agreement.

• Eliminating the new monthly fee called the "Grid Participation Charge" of $8/kW per month for solar systems, which would amount to $40-$50 for a typical residential customer

• Providing an additional "adder" for energy exported to the grid for the first 9 years of system operation, after 9 years energy exported to the grid will be paid the utilities' avoided cost per kWh

The Proposed Decision is on the agenda for the Commission's December 15, 2022, voting meeting. If adopted it would go into effect April 15, 2023. Customers who submit applications to interconnect eligible systems before that date would receive service under the existing NEM 2.0; those applying after April 15th would receive service under the new Net Billing tariff.

<u>CPUC Staff Propose GHG-free Credit for CCA Customers</u>

On September 12th, a California Public Utilities Commission Administrative Law Judge issued a Ruling seeking comment on a staff proposal to provide customers who have left bundled utility service (i.e., those receiving generation service form a CCA or Energy Service Provider) a financial credit for the GHG-free resources they pay for. California law makes a distinction between "renewable" and "GHG-free" resources, with GHG-free including hydroelectric facilities over 50 MW in size and nuclear facilities. The existing Power Charge Indifference Adjustment ("PCIA") mechanism provides CCA customers with a financial credit for the renewable resources procured on their behalf, but not the GHG-free resources.

CPUC staff concluded that the GHG-free resources held in utility portfolios do provide an incremental value for the utility, and that they should compensate CCA customers accordingly. On November 7th, SCP staff working with the statewide CalCCA trade association filed comments in support of the staff proposal and offering specific recommendations for implementation. If adopted, the GHG-free credit could reduce CCA customer bills by January of 2024. It would not have any impact on the resources SCP uses to provide clean generation to customers.

Legislative Update

While the California legislature is on recess until January, SCP has remained engaged with two legislative efforts.

First, SCP worked with RCRC and other CCAs to get lawmakers to sign on to a letter to the CPUC calling for regulatory oversight of PG&E's "fast trip" system, which shuts off power on circuits when a fault is detected. See the attached letter. Shortly after submitting the letter, PG&E responded, defending the fast trip program arguing it does not need oversight. The CPUC has not yet responded.

Second, CalCCA is exploring a number of potential bills for the next session, and SCP staff are interested in engaging on the solutions to California's power reliability crisis. Just one example of the problem: procurement orders from the CPUC are often issued just 2 or 3 years before critical resources are needed, while it can take 3 to 5 years just to get permission to *start* building a new reliability resource when transmission or distribution upgrades are needed. The timing mismatch is a serious problem and having better planning information about where new resources will likely be approved could help resolve things.

Attachments

- Legislative Fast Trip Letter, available at this link or by request to the Clerk of the Board

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Sonoma Clean Power

Staff Report – Item 12

To: Sonoma Clean Power Authority Board of Directors

From: Carolyn Glanton, Programs Operations Manager
Brant Arthur, Programs Manager
Rebecca Simonson, Director of Programs

Issue: Approve and Delegate Authority to the CEO or his Designee to Execute an Agreement for Professional Services with Sacramento Municipal Utility District through August 31, 2024, with a Not-To-Exceed Amount of $125,680 for a Residential and Commercial Community Needs Assessment

Date: December 1, 2022

Recommendation

Approve and Delegate Authority to the CEO or his Designee to Execute an Agreement for Professional Services with Sacramento Municipal Utility District through August 31, 2024, with a Not-To-Exceed Amount of $125,680 for a Residential and Commercial Community Needs Assessment as part of the Customer Incentives and Offerings Strategic Action Plan.

Background

On March 17, 2022, the Community Advisory Committee received the Programs Strategic Action Plan for Customer Offerings and Incentives ("Strategic Action Plan"). The Board of Directors adopted the Strategic Action Plan on April 7, 2022. The Strategic Action Plan defines how SCP will consider and develop programs to serve all SCP customers, especially in historically underserved, underinvested, and marginalized communities. To achieve our mission of turning the tide on the climate crisis, our programs must be impactful, scalable, accessible, enhance our customers' lives, and be driven by the needs of the communities they serve.

An important first step is to assess community needs and set goals. In July 2022, SCP issued a Request for Qualifications (RFQ) to identify potential partners and consultants to conduct community needs assessments. The assessments will highlight customer's needs, wishes, and concerns when it comes to emissions reduction, energy efficiency, resiliency, and electrification. This will inform the development of more impactful customer programs that meet community needs.

The RFQ included five different categories of needs:

1. Transportation and mobility needs
2. Residential energy use
3. Residential resiliency needs
4. Commercial building energy use and commercial resiliency needs
5. Agricultural energy use

The RFQ drew five responses across all the categories. Staff reviewed responses, created a short list for interviews, and interviewed respondents.

Community Advisory Committee Review

The Committee provided comments to staff and recommended that the Board approve and delegate authority to the CEO or his designee to execute an agreement for professional services with Sacramento Municipal Utility District for a residential and commercial community needs assessment.

Discussion

Based on their RFQ response and interview, Sacramento Municipal Utility District (SMUD) was selected for three community needs assessment categories: residential energy use, residential resiliency needs, and commercial building energy use and resiliency. Other entities have been selected for the transportation and mobility needs and agricultural energy use categories.

SMUD was selected based on their experience with electricity customers, as they are the nation's sixth-largest community-owned, not-for-profit electric company, and have over 75 years of experience in California utility operations.

The residential energy use and residential resiliency needs assessment includes performing a web usability study for SCP's current residential offers and incentives webpage, creating and managing a survey in English and Spanish, facilitating focus groups, coordinating with community-based organizations, and providing recommendations on potential residential programs.

The scope of work for commercial building energy use and resiliency includes data collection, creating and managing a survey in English and Spanish, summarizing research data, and creating recommendations on potential commercial programs.

This Agreement will go through August 31, 2024.

Fiscal Impact

The amount requested is within the Board approved FY22/23 budget for Program Implementation. Any budget remaining for FY23/24 and FY24/25 will be brought before the Committee and Board for approval in subsequent budget cycles.

Attachments

- Attachment A – Draft Agreement with Sacramento Municipal Utility District, available at this link or by request to the Clerk of the Board

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Staff Report – Item 13

To: Sonoma Clean Power Authority Board of Directors

From: Brant Arthur, Program Manager
Carolyn Glanton, Programs Operations Manager
Rebecca Simonson, Director of Programs

Issue: Approve and Delegate Authority to the CEO or his Designee to Negotiate and Execute an Agreement for Professional Services with EVNoire through December 31, 2023, with a Not-To-Exceed Amount of $110,000 for a Transportation and Mobility Community Needs Assessment

Date: December 1, 2022

Recommendation

Approve and Delegate Authority to the CEO or his Designee to Negotiate and Execute an Agreement for Professional Services with EVNoire through December 31, 2023, with a Not-To-Exceed Amount of $110,000 for a Transportation and Mobility Community Needs Assessment as part of the Customer Incentives and Offerings Strategic Action Plan.

Background

In July 2022, SCP issued a Request for Qualifications (RFQ) to identify potential partners and consultants to conduct community needs assessments. Additional background is found in Staff Report Item 12 for this agenda.

Community Advisory Committee Review

This item was presented to the Community Advisory Committee on November 17, 2022. The Committee provided comments to staff and recommended that the Board approve and delegate authority to the CEO or his designee to execute an agreement for professional services with EVNoire for a transportation and mobility needs assessment. Committee members suggested coordinating with Sonoma County Transportation

Authority and Regional Climate Protection Authority on the community needs assessment.

Discussion

Based on their outstanding RFQ response and insightful interview, EVNoire was selected for the transportation and mobility needs category of the community needs assessment. Other entities have been selected for the residential energy use, residential resiliency needs, agriculture, and commercial building energy use and resiliency categories.

EVNoire is a nationally recognized minority-owned and led organization, working across transportation, energy, and environmental health equity. EVNoire was selected based on their experience and expertise in working with frontline communities, along with their extensive data on attitudes towards, and benefits of, driving zero-emission vehicles.

The transportation and mobility needs assessment will help inform program development and support the Customer Incentives and Offerings Strategic Action Plan through several strategies:

- Key informant interviews to inform the survey tool and data collection strategy
- Focus groups with individuals residing within priority communities
- Survey that explores priority community attitudes, knowledge, beliefs, and engagement with clean transportation options

These strategies will be achieved through paid partnerships with community-based organizations and will offer participant compensation for those making time to share their personal experience. Translation service will be provided to ensure engagement with non-English speaking communities.

EVNoire plans to complete the transportation and mobility needs assessment by November 2023 and will provide an environmental scan of transportation in SCP's territory along with an analysis of community data and recommendations for future programs. EVNoire will deliver a report to the community, incorporating feedback on recommendations and accuracy of report.

This Agreement will go through December 31, 2023.

Fiscal Impact

The amount requested is within the Board approved FY22/23 budget for Program Implementation. Any budget remaining for FY23/24 and FY24/25 will be brought before the Committee and Board for approval in subsequent budget cycles.

Attachments

- Attachment A – Agreement with EVNoire, available at this link or by request to the Clerk of the Board
- Attachment B – Agreement Exhibit C Non-Disclosure Agreement, available at this link or by request to the Clerk of the Board

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Staff Report – Item 14

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

From: **Geof Syphers, CEO**
Mike Koszalka, COO
Chris Golik, Revenue Manager

Issue: **Approve Parameters to Establish New Customer Rates for Implementation Following Changes to Customer Exit Fees on or After January 1, 2023**

Date: **December 1, 2022**

Recommendation

Approve new customer rates to be implemented as soon as is feasible after PG&E's changes to PCIA and rates expected on January 1, 2023, using one of the following two options:

Rate Setting Option 1

- SCP customer total bills set to 5% below PG&E's bundled service total bills
- All rate classes are reset so SCP customer total bills have an equal percentage difference from PG&E's bundled service total bills
- Requires that staff return to the Board following rate implementation to have the final rate tables ratified

Rate Setting Option 2

- SCP customer total bills set to 9% below PG&E's bundled service total bills
- All rate classes are reset so SCP customer total bills have an equal percentage difference from PG&E's bundled service total bills
- Requires that staff return to the Board following rate implementation to have the final rate tables ratified

Background

SCP's goals with customer rate setting include:

- Protect customers from sudden large changes in rates;
- Have few rate changes in a given year to provide stability for customers;
- Recover expenses, and when possible make progress in building cash reserves to meet SCP's adopted long-term reserve target.

On April 1, 2022, SCP updated rates to eliminate the premium for SCP customers while covering the undercollection of energy costs from the first nine months of the fiscal year. SCP then made small rate adjustments on July 1, 2022, and October 1, 2022 to keep SCP customer total bills at or below PG&E's bundled service total bills. Sustaining rates at these levels has allowed SCP to make considerable progress toward reaching its long-term financial reserve target, helping to protect ratepayers from unfavorable surprises in future energy costs or PCIA fees.

PG&E is expected to implement changes to the Power Charge Indifference Adjustment (PCIA) and rates on January 1, 2023, or soon after that. While SCP does not expect to have final numbers for these changes until December 31, 2022, the most recent PG&E forecast includes:

- A significant increase in PG&E delivery costs for all customers;
- A small increase in PG&E's bundled service generation costs; and
- A substantial decrease in the Power Charge Indifference Adjustment for CCA customers.

The happy circumstance of a very low (possibly zero) PCIA is due to the high commodity electricity prices in 2022 and a forecast for high prices in 2023. Such high prices mean that PG&E can resell its excess energy at high prices, so SCP's customers do not need to protect PG&E from losses. The other important reason for the fortunate conditions of 2023 relate to SCP having purchased substantially most of its energy needs far in advance at lower prices than current market conditions.

Discussion

To facilitate the implementation of new customer rates as soon as possible following PG&E's expected changes on January 1, 2023, staff is recommending the use of rate setting parameters. If PG&E's final numbers are available on December 31, 2022, SCP expects to be able to implement new rates on February 1, 2023. If PG&E's updates are delayed, then staff proposes to make SCP's rate change as soon as is feasible after the information becomes available.

As a result of the high market cost of energy, PG&E is expected to reduce PCIA significantly in 2023. This presents an opportunity for SCP to both offer customers savings vs. PG&E and to continue to build reserves. The two suggested rate setting options are intended to strike a balance between these goals.

Staff requests that the Board approve new customer rates to be implemented as soon as is feasible after PG&E's changes to PCIA and rates expected on January 1, 2023, using one of the following two options:

Rate Setting Option 1

Criteria:

- SCP customer total bills set to 5% below PG&E's bundled service total bills
- All rate classes are reset so SCP customer total bills have an equal percentage difference from PG&E's bundled service total bills
- Requires that staff return to the Board following rate implementation to have the final rate tables ratified

Impact:

The reserve balance is projected to grow, possibly reaching SCP's long-term target as early as May 2023. This option increases the likelihood that SCP can offer customers additional savings in July 2023. It also creates the potential for exploring local resource investments, such as by forming a local resource investment fund to potentially build and own local battery storage systems, although such decisions would be made later and separately from this item.

Rate Setting Option 2

Criteria:

- SCP customer total bills set to 9% below PG&E's bundled service total bills
- All rate classes are reset so SCP customer total bills have an equal percentage difference from PG&E's bundled service total bills
- Requires that staff return to the Board following rate implementation to have the final rate tables ratified

Impact:

The reserve balance is projected to grow, possibly reaching SCP's long-term target as early as July 2023. This option provides deeper customer savings, but does not produce excess income beyond what is needed to fill SCP's long-term reserves within the current fiscal year.

Community Advisory Committee Review

The Community Advisory Committee recommended that the Board of Directors approve rate setting option 1 at their November 17, 2022, meeting.