



**AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, FEBRUARY 2, 2023
9:00 A.M.**

******AB 2449******

RE CORONAVIRUS COVID-19

HYBRID MEETING (IN PERSON AND REMOTE ATTENDANCE)

CONSISTENT WITH THE PROVISIONS OF AB 2449, MEMBERS OF THE BOARD OF DIRECTORS MAY PARTICIPATE IN THE FEBRUARY 2, 2023, 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 (669) 444-9171
 - 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 REGULAR CALENDAR

1. Approve Sonoma Clean Power Authority Resolution 2023-01 Permitting Remote Teleconference Meetings of the Board of Directors and Community Advisory Committee and Discussion of Future Remote Meetings Pursuant to AB 2449 (Staff Recommendation: Approve) **pg. 5**

BOARD OF DIRECTORS CONSENT CALENDAR

2. Approve December 1, 2022, Draft Board of Directors Meeting Minutes (Staff Recommendation: Approve) **pg. 11**
3. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. 17**
4. Approve Emergency Consumer Protections for Natural Disaster in Sonoma Clean Power Authority Service Territory (Staff Recommendation: Approve) **pg. 21**
5. Ratify Generation Rates Effective February 1, 2023, Consistent with Prior Board Direction (Staff Recommendation: Approve) **pg. 23**

BOARD OF DIRECTORS REGULAR CALENDAR (Continued)

6. Nominate and Approve the Appointments of Chair and Vice Chair of the Board for One-Year Terms (Staff Recommendation: Nominate and Approve) **pg. 25**
7. Accept the Independent Draft Report for the Financial Statements from Fiscal Years Ending June 30, 2021, and June 30, 2022 (Staff Recommendation: Approve) **pg. 27**
8. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. 29**
9. Receive Legislative and Regulatory Updates and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. 43**
10. Approve Sonoma Clean Power Authority's Updated Legislative Platform (Staff Recommendation: Approve) **pg. 49**
11. Receive Power Procurement Update (Staff Recommendation: Receive and File) **pg. 51**
12. Receive 2022 Annual Report (Staff Recommendation: Receive and File) **pg. 53**

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(Comments are restricted to matters within the Board's jurisdiction. Please be brief and limit spoken comments to three minutes, or 300 words if written.)

ADJOURN

COMMONLY USED ACRONYMS AND TERMS

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

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Staff Report - Item 01

To: Sonoma Clean Power Authority Board of Directors

From: Geof Syphers, CEO

Issue: Approve Sonoma Clean Power Authority Resolution 2023-01 Permitting Remote Teleconference Meetings of the Board of Directors and Community Advisory Committee and Discussion of Future Remote Meetings Pursuant to AB 2449

Date: February 2, 2023

Requested Action

Approve SCP Resolution 2023-01 to permit remote teleconference meetings of the Board of Directors and Community Advisory Committee pursuant to AB 2449. Receive presentation and provide feedback on future remote meetings pursuant to AB 2449.

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. AB 2449 was approved by the Legislature and took effect on January 1st. AB 2449 incorporates the AB 361 requirements.

In order to continue to qualify for AB 361/AB 2449'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.

The Board previously adopted and extended Resolution 2021-25 to make the necessary findings to permit remote meetings. That Resolution lapsed as the Board cancelled its January meeting. This Resolution would permit remote meeting going forward under the requirements of AB 361/AB 2449.

In addition to seeking approval of the resolution, staff will be providing a presentation on future remote meeting under AB 2449. The flexible remote meeting rules under AB 361 will likely sunset at the end of February. This presentation will provide an overview of the rules going forward and seek Board direction on future remote meetings.

Attachments

- Draft Resolution 2023-01 of the Board of Directors of the Sonoma Clean Power Authority
- Resolution 2021-05 of the Board of Directors Authorizing Virtual Board and Committee Meetings Pursuant to AB 361, available at [this link](#) or by request to the Clerk of the Board

DRAFT

Resolution 2023-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA CLEAN
POWER AUTHORITY AUTHORIZING VIRTUAL BOARD AND COMMITTEE
MEETINGS PURSUANT TO AB 361/AB 2449

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, the Legislature approved, and the Governor signed AB 2449 which became effective on January 1, 2023 and continues the emergency remote meeting rules under AB 361; 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.

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 February 2, 2023, 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 2nd day of February 2023, by the following vote:

| JURISDICTION | NAME | AYE | NO | ABSTAIN/ ABSENT |
|---------------------|-----------------------|-----|----|--------------------|
| Cloverdale | Director Bagby | | | |
| Cotati | Director Ford | | | |
| Fort Bragg | Director TBD | | | |
| Petaluma | Director Barnacle | | | |
| Rohnert Park | Director Elward | | | |
| Santa Rosa | Director Rogers | | | |
| Sebastopol | Director Zollman | | | |
| Sonoma | Director Farrar-Rivas | | | |
| Windsor | Director TBD | | | |
| County of Mendocino | Director Gjerde | | | |
| County of Sonoma | Director Hopkins | | | |

In alphabetical order by jurisdiction

Chair, Sonoma Clean Power Authority

Attest:

Clerk of the Board

RESOLUTION NO. 2021 - 05

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In alphabetical order by jurisdiction



Chair, Sonoma Clean Power Authority

Attest:



Clerk of the Board

APPROVED AS TO FORM:



Special Counsel,
Sonoma Clean Power Authority



**DRAFT MEETING MINUTES
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 WHICH SUSPENDED CERTAIN REQUIREMENTS OF THE BROWN ACT, MEMBERS OF THE BOARD OF DIRECTORS PARTICIPATED IN THE DECEMBER 1, 2022, MEETING IN PERSON AND BY REMOTE ATTENDANCE.

CALL TO ORDER

(9:03 a.m. - Video Time Stamp: 00:03:41)

Chair King called the meeting to order.

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

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

Staff present: Geof Syphers, Chief Executive Officer; Stephanie Reynolds, Director of Internal Operations; Neal Reardon, Director of Regulatory Affairs; Ryan Tracey, Director of Planning and Analytics; Erica Torgersen, Director of Customer Service; Chad Asay, Director of the Advanced Energy Center; Danielle McCants, Customer Operations Manager; Chris Golik, Revenue Manager; Ryan Tracey, Director of Planning and Analytics; Carolyn Glanton, Programs Operations Manager; Brant Arthur, Program Manager; Darin Bartow, Clerk of the Board and Joshua Nelson, Special Counsel

BOARD OF DIRECTORS CONSENT CALENDAR

(9:04 a.m. - Video Time Stamp: 00:04:33)

1. Approve November 3, 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 Proposed Resolution 2022-04 Adopting an Amended Conflict of Interest Code Pursuant to the Political Reform Act of 1974
5. Approve Updated Board Polices and Tariffs
6. Approve Updated Terms and Conditions and CleanStart Tariff following Pilot Program
7. Approve Board of Directors Meeting Dates for 2023 Calendar Year
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
9. Approve the Transfer of Unclaimed Checks Pursuant to California Government Code Section 50053

Public Comment: None

Motion to approve the December 1, 2022, Board of Directors Consent Calendar by Director Rogers

Second: Director Landman

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

ABSENT: Peters

BOARD OF DIRECTORS REGULAR CALENDAR

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

(9:07 a.m. - Video Time Stamp: 00:07:12)

Program Manager Brant Arthur gave an update on the CALeVIP program and stated that SCP has installed 9 new fast chargers. Director of Internal Operations Stephanie Reynolds welcomed Advanced Energy Center (Center) Director Chad Asay to provide an update on the various non-profit groups

and trade organizations that are utilizing the Center, along with upcoming classes for contractors and the public. To date, over 5,000 visitors have been to the Center.

She also noted the SCP headquarters was designated a top project for 2022 by the North Bay Business Journal (NBBJ) and the NBBJ spotlighted CEO Syphers in an article. Geof Syphers, CEO, discussed increased revenues and expenses due to the September heat storm.

Director Rogers thanked SCP for their sponsorship to COP27 and discussed his experience. Director Elward discussed her experiences at COP27 and believes SCP can lead the way on climate change efforts.

Director Gjerde asked if there is a way for SCP to reach out to investment managers for diversification ideas for green investment in retirement portfolios. Director Hopkins mentioned her District Director Leo Chyi also attended COP27 and she discussed reparations for underdeveloped countries. Director Slayter asked what the cost to purchase additional energy during the heat storm was and CEO Syphers responded that it was close to \$15 million.

Public Comment: None

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

(9:40 a.m. - Video Time Stamp: 00:40:36)

Neal Reardon, Director of Regulatory Affairs, gave a regulatory report where he mentioned that the CPUC had released a staff proposal estimating the value of GHG-free attributes for crediting CCA customers in the Power Charge Indifference Adjustment or PCIA. He discussed the extension of the Diablo Canyon Nuclear Facility, and he mentioned that the CPUC revised their Net Energy Metering (NEM) proposal to honor all current tariffs.

Public Comment: None

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

(9:50 a.m. - Video Time Stamp: 00:50:51)

This item was heard with Item 13.

Carolyn Glanton, Programs Operations Manager, explained the Strategic Action Plan is written to help staff develop programs that are impactful, scalable, and enhance customers' lives. Items 10 and 11 work toward these goals. As an important first step, community needs assessments need to be performed, followed by goal setting. She stated that the Sacramento Municipal Utility District (SMUD) was chosen to perform community needs assessments in three categories, residential energy use, residential resiliency needs, and commercial building energy use and resiliency, because SMUD has expertise in these areas.

Public Comment: None

Motion to 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 by Director Rogers

Second: Director Elward

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

ABSENT: Peters

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

(9:50 a.m. - Video Time Stamp: 00:50:51)

This item was heard with Item 12.

Ms. Glanton mentioned that EVNoire was chosen for the transportation and mobility needs category of the community needs assessments because of their experience and expertise in working with disadvantaged communities, along with their extensive data on attitudes towards, and benefits of, driving zero-emission vehicles.

Director Slayter asked for clarification because item 12 used a request for proposals (RFP) and item 13 used a request for qualifications (RFQ) and Ms. Glanton clarified that both were RFQs. Director Slayter then asked how many

respondents there were for the RFQ, and Ms. Glanton responded that there were 5.

Public Comment: None

Motion to 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 by Director Slayter

Second: Director Elward

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

ABSENT: Peters

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

(10:00 a.m. - Video Time Stamp: 01:00:37)

Chris Golik, Finance Manager, stated that PG&E will reduce the Power Charge Indifference Adjustment (PCIA) which allows SCP to present two options for new customer rates to the Board. The first option would set customer total bills to 5% below PG&E's bundled service bills and allow the Reserve Balance to continue to grow. The second option would set bills 9% lower than PG&E bundled bills. He discussed SCP's rate setting and reserve goals and how the two options would affect those goals. CEO Syphers added that Option 1 gives SCP a surplus.

Chair King mentioned he was leaning to option 1 and expressed the desire to have lower rates than PG&E and have a reserve. Director Landman asked if there was revenue being set aside for local investment and CEO Syphers answered in the affirmative. Director Slayter asked if the generation rates are significantly below Investor-Owned Utilities and CEO Syphers answered that they were. Director Slayter then asked if there was a date for the Power Charge Indifference adjustment to end and Director Reardon answered in 2052. Director Rogers asked what the difference between the two options for customers was and CEO Syphers explained that it wasn't a huge savings. Director Landman mentioned his desire to find a middle ground between 5% and 9% and inquired if there was a guarantee with option 1 that SCP would not have to change rates or is that a possibility with either option. CEO

Syphers responded there is a possibility that we may have to change rates again with either option and he cannot make guarantees on future rate changes. Several Directors expressed their support for Option 1 to set customer bills 5% below PG&E's bundled bills and build reserves.

Public Comment: None

Motion to Approve Parameters to Establish New Customer Rates for Implementation Following Changes to Customer Exit Fees on or After January 1, 2023, and accept Option 1 in the staff report by Director Slayter

Second: Director Bagby

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

NOES: Landman

ABSENT: Peters

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

(10:38 a.m. - Video Time Stamp: 01:37:56)

CEO Syphers congratulated Chair King, Director Landman, and Director Slayter on their retirement from the SCP Board. Chair King recognized the SCP staff for their excellence, thanked CEO Syphers for his leadership, thanked the Community Advisory Committee for their dedication, and finally thanked the Board for its very important mission. Director Slayter discussed his first meeting at SCP and Director Landman discussed his time working with SCP.

Director Landman invited the community to the Novato Fire Breakfast. Director Hopkins thanked every retiring Board Member.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(10:57 a.m. - Video Time Stamp: 01:57:03)

Public Comment: Madge Strong thanked all of the retiring Board Members.

ADJOURN

(10:58 a.m. - Video Time Stamp: 01:58:28)

The meeting was adjourned by unanimous consent.



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: February 2, 2023

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

At the Board's direction, Staff are actively negotiating cooperation agreements for the three selected private partners: Eavor Inc., Chevron New Technologies, and Cyrq Energy. Each cooperation agreement will be presented to the Community Advisory Committee for review and the Board for approval before execution. Staff expect that at least one, and as many as all three agreements will be ready to present to the Board at the March 2nd meeting.

Department of Energy Long-Duration Storage Grant

In consultation with SCP, Cyrq Energy submitted a Letter of Intent to the Department of Energy's (DOE) Office of Clean Energy Demonstrations in December 2022 for their [long-duration storage funding opportunity](#). The letter is a prerequisite for submitting a full grant funding application in March 2023. Staff will be working closely with Cyrq

to prepare the final application, with a specific focus on describing the community benefits and stakeholder engagement opportunities of a GeoZone project.

Cyrq's GeoZone project involves installing thermal storage at an existing dry steam generating unit at the Geysers. The project will charge by heating thermal mass during the day when solar output is high and geothermal output is in lower demand, and then discharge in the evening as solar output drops by using the heated mass to superheat steam produced from the wellfield—resulting in increased geothermal power production in those hours. Cyrq is the lead project applicant and is joined by SCP, Babcock & Wilcox (technology provider), and EthosEnergy (turbine experts).

Because of the novel ability of Cyrq's technology to create valuable flexibility in geothermal output, SCP will be asking its city and county member jurisdictions and community organizations for letters of support for the DOE grant.

Site Host Opportunities

A key focus of SCP and development partners is identifying potential site hosts for GeoZone projects. Although establishing site control for projects is a responsibility of GeoZone partners, SCP's relationship with community members has proved valuable in networking potential site hosts with GeoZone partners. Any parties interested in hosting a GeoZone project are encouraged to contact SCP staff at GeoZone@sonomacleanpower.org.

Other News

- SCP's GeoZone partner Eavor signed their first [Power Purchase Agreement](#) in the United States with NV Energy in Nevada. Eavor will build a facility that is dispatchable and can provide over 16 MW during high-need hours. The agreement is dependent on successful results from a 7-10 km deep calibration well.
- Chevron New Energies [announced the creation of a joint venture](#) with Baseload Capital of Sweden to develop geothermal projects in the United States. Baseload Capital's expertise is on the development of low-temperature conventional resources. The joint venture does not specifically impact GeoZone but could accelerate Chevron's hands-on learning on developing domestic geothermal projects.
- Several contracts for new local geothermal capacity with other electric providers were recently announced:

- **Bottle Rock:** Open Mountain Energy is building a 7 MW binary geothermal plant at the site of the idle Bottle Rock power plant in Lake County with an expected commissioning date of June 2024. Marin Clean Energy has executed a 21-year offtake agreement with Open Mountain Energy. Open Mountain Energy is the developer of the Fish Lake project in Nevada procured earlier in 2022 by SCP through CC Power.
- **Incremental Geysers:** Calpine is expanding its wellfield to increase Geysers generation by 25 MW. The steam will be delivered to existing steam turbine generators with expected commissioning in June 2025. Marin Clean Energy and Clean Power Alliance have executed 20-year offtake agreements for the project output that will be used to meet their CPUC mid-term reliability order obligations. Marin Clean Energy and Clean Power Alliance each purchased 100 MW of existing capacity from the Geysers alongside the new capacity.
- The California Energy Commission (CEC) notified SCP that it is not currently interested in partnering with SCP on a potential application to the DOE's Grid Resilience and Innovation Partnership (GRIP) Programs grant. The CEC is specifically interested in focusing on opportunities specifically geared towards benefiting tribal communities. Although there are opportunities to develop a GeoZone project that benefits tribal communities, it is too early to narrow the GeoZone's focus. SCP or its GeoZone partners may consider applying for the GRIP grant separately.

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Staff Report - Item 04

To: Sonoma Clean Power Authority Board of Directors

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

Issue: Approve Emergency Consumer Protections for Natural Disaster in Sonoma Clean Power Authority Service Territory

Date: February 2, 2023

Requested Action

Board of Directors to ratify SCPA's Emergency Consumer Protection Policy based on the 2023 Winter Storms.

Background

On October 1, 2020, SCPA's Board of Directors approved an updated Customer Service Policy A.3 - Late Payment Noticing, Transfer of Service, Pre-Collection Noticing, Collections. Per the guidelines of Customer Service Policy A.3:

This policy in whole or in parts may be suspended or modified if a state of emergency proclamation is issued by the California Governor's Office or the President of the United States due to a disaster that affects utility service or a health pandemic. At that time the Chief Executive Officer (CEO), or his designee, may put into effect SCPA's Customer Service Policy A.6 - Emergency Consumer Protection Policy. If the CEO, or his designee puts SCPA's Emergency Consumer Protection Policy into effect, the decision must be ratified by the Board of Directors within 90 days or at the next regularly scheduled Board of Director's meeting.

Community Advisory Committee Review

The Community Advisory Committee will be provided a copy of the Emergency Consumer Protection Policy at the next Committee meeting on February 16, 2023, assuming it is ratified by SCPA's Board of Directors.

Discussion

After 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 an Emergency Consumer Protection Plan to support customers who were affected by the October 2017 Northern California Wildfires. Residential and Non-Residential customers in Butte, Lake, Mendocino, Napa, Nevada, Plumas, Santa Cruz, Solano, Sonoma, and Yuba counties affected by the 2017 Northern California Wildfires were eligible for the Emergency Consumer Protection Plan until December 31, 2018.

SCPA adopted its own internal 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.

On July 11, 2019, the CPUC issued D. 19-07-015, which adopted an emergency disaster relief program for Investor-Owned Utility customers. The emergency disaster relief program is designed to ensure that California utility customers who experience a housing or financial crisis due to a disaster, keep vital utility services in the wake of a disaster.

On November 1, 2019, SCPA adopted its own internal policy, "Emergency Consumer Protection Plan and Emergency and Disaster Response Procedures and Policy I.12" which established a series of billing and service modifications to support customers recovering from the immediate aftermath of a natural disaster or state of emergency.

On October 1, 2020, SCPA's Board of Directors formally adopted Customer Service Policy A.6 - Emergency Consumer Protection Policy which established a series of billing and service modifications to support customers recovering from the immediate aftermath of a natural disaster or state of emergency.

Fiscal Impact

Unknown. Additional potential for customer late payment or non-payment of SCP charges.

Attachments

- Policy for Ratification: Customer Service Policy A.6f - 2023 Winter Storms Consumer Protection Policy, 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: Geof Syphers, CEO
Mike Koszalka, COO
Chris Golik, Revenue Manager

Issue: Ratify Generation Rates Effective February 1, 2023, Consistent with Prior Board Direction

Date: February 2, 2023

Recommended Action

Staff is notifying the Board of Directors of a generation rate change shown in Attachment 1 that will be implemented February 1, 2023. This rate adjustment falls under the Board of Directors' rate setting parameters approved on December 1, 2022. Rates are now set so that SCP customer total bills are 5% below PG&E's bundled service total bills effective February 1, 2023.

Staff request the Board ratify these rates.

Background

The Sonoma Clean Power Board of Directors voted on December 1, 2022, in favor of 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 the following parameters:

- SCP customer total electric bills set to 5% below PG&E's bundled service total electric 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

Discussion

PG&E updated the PCIA as well as their generation and delivery rates on January 1, 2023. The SCP rates effective February 1, 2023, shown in Attachment 1 are set so that SCP customer total bills are 5% below PG&E's bundled service total bills.

Community Advisory Committee Review

The Community Advisory Committee recommended that the Board of Directors ratify these rates at their January 19, 2023, meeting.

Attachments

- SCP Rate Schedule Effective February 1, 2023, available at [this link](#) or by request to the Clerk of the Board



Staff Report - Item 06

To: Sonoma Clean Power Authority Board of Directors
From: Stephanie Reynolds, Director of Internal Operations
Issue: Nominate and Approve the Appointments of Chair and Vice Chair of the Board for One-Year Terms
Date: February 2, 2023

Requested Board Action

Nominate and approve the appointments of Chair and Vice Chair of the Sonoma Clean Power Authority Board of Directors for the next 12 months.

Background

The appointment of Chair and Vice Chair for the Sonoma Clean Power Board of Directors is for twelve months. The term begins after appointment at the February meeting and continues until the next appointment the following February.

There are no additional written materials for this item.

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Staff Report - Item 07

To: Sonoma Clean Power Authority Board of Directors

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

Issue: Accept the Independent Draft Report for the Financial Statements from Fiscal Years Ending June 30, 2021, and June 30, 2022

Date: February 2, 2023

Requested Board Action

Accept the independent draft report for the Financial Statements from Fiscal Years ending June 30, 2021, and June 30, 2022.

Background

Pisenti & Brinker will be presenting their independent report of SCPA's financial statements for the Fiscal Years ending June 30, 2021, and June 30, 2022. The report was completed with financial statements prepared by Maher Accountancy.

Attachments

- Financial Statements - Years Ended June 30, 2021, and June 30, 2022, with Report of Independent Auditors, available at [this link](#) or by request to the Clerk of the Board

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Staff Report - Item 08

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: February 2, 2023

ADVANCED ENERGY CENTER

2022 was a great year for the Advanced Energy Center (Energy Center), with over 3680 people visiting the center to learn about our programs and how they can start electrifying their homes.

Our team is working to gain accreditation for builders' education courses taught at the Energy Center. Staff also hope to have several cooking events in 2023. Most recently, SCP hosted a live-stream induction cooking demonstration with Chef Zacarias of Molcajete restaurant for a Spanish-speaking audience both in person and online. Coming soon will be an induction class on cooking chocolate on induction.

In December, staff at the Advanced Energy Center processed \$132,000 in rebates. A total of \$579,000 in rebates have been paid out so far on 329 projects. 20% of those projects are utilizing SCP's 0% loan and SCP has lent over \$486,000 to customers to date.

Energy Center customers have commented on how the SCP team and programs have helped them start improving their homes. Some notable interactions include:

- Many customers are thankful for help with applying for rebates. One customer said, "Thank you for sending BayREN info, and walking me through that application process. I appreciate that you helped me with other assistance."
- A customer came in and mentioned they couldn't afford to install the right technology. After reviewing their account, the SCP team found the customer

was eligible for CARE rates and incentives. The customer had no idea they were income-qualified for financial assistance.

- Another grateful customer thanked the staff and is now telling their friends, “I appreciate you guys letting me install a new heater before getting my contract. It was 30 degrees in my house, and I couldn’t wait. I’m on the board of an HOA and intend on sending dozens of homeowners your way.”

CHANGE TO EV CHARGER INCENTIVE FOR 2023

For the past 7 years, Sonoma Clean Power has supported early adoption of transportation electrification, offering free EV (electric vehicle) charging equipment for our customers. In response to the increased adoption of EVs in our service territory, we are updating our EV charger incentive in early 2023 to encourage enrollment in our GridSavvy Rewards smart device program. The GridSavvy Rewards EV Charger program option allows SCP to automatically manage charging of enrolled EV charging equipment during periods of stress to the grid caused by high demand.

SCP will continue to offer Level 2 EV chargers at 50% off the retail price of the equipment, equivalent to approximately \$350 savings applied at the time of purchase, through the GridSavvy Rewards webstore. An additional enrollment incentive of \$250 will be available to SCP customers who enroll and activate their EV charger in the GridSavvy Rewards EV Charger option. A participating customer will pay between \$0 and up to \$100 for an EV charger (total value of approximately \$650), dependent on the model they select. All SCP customers will remain eligible to access the 50% discount but only those who enroll and activate their equipment in GridSavvy Rewards will be provided the extra enrollment incentive. Additionally, enrolled SCP customers may qualify for an ongoing bill credit of \$5 per month while participating in GridSavvy Rewards with their eligible EV chargers. Terms and conditions apply.

PARTICIPATION RATES

Meters and Participation by TOT

| COUNTY | Eligible | SCP | % Part. | % Opt Out |
|--------------------|----------------|----------------|--------------|--------------|
| SONOMA | 226,668 | 199,992 | 88.2% | 11.8% |
| WINDSOR INC | 9,978 | 8,786 | 88.1% | 11.9% |
| UNINC SONOMA CO | 73,733 | 64,188 | 87.1% | 12.9% |
| SONOMA INC | 6,450 | 5,654 | 87.7% | 12.3% |
| SEBASTOPOL INC | 4,425 | 4,041 | 91.3% | 8.7% |
| SANTA ROSA INC | 77,623 | 68,990 | 88.9% | 11.1% |
| ROHNERT PARK INC | 19,308 | 17,214 | 89.2% | 10.8% |
| PETALUMA INC | 27,356 | 24,361 | 89.1% | 10.9% |
| COTATI INC | 3,875 | 3,515 | 90.7% | 9.3% |
| CLOVERDALE INC | 3,920 | 3,243 | 82.7% | 17.3% |
| MENDOCINO | 38,487 | 30,767 | 79.9% | 20.1% |
| WILLITS INC | 2,736 | 2,201 | 80.4% | 19.6% |
| UNINC MENDOCINO CO | 31,330 | 24,865 | 79.4% | 20.6% |
| POINT ARENA INC | 343 | 295 | 86.0% | 14.0% |
| FORT BRAGG INC | 4,078 | 3,406 | 83.5% | 16.5% |
| Total | 265,155 | 230,759 | 87.0% | 13.0% |

Current EverGreen Enrollment by TOT

| COUNTY | SCP Meters | EverGreen Meters | EverGreen % |
|--------------------|----------------|------------------|--------------|
| SONOMA | 199,992 | 3,456 | 1.73% |
| WINDSOR INC | 8,786 | 49 | 0.56% |
| UNINC SONOMA CO | 64,188 | 987 | 1.54% |
| SONOMA INC | 5,654 | 80 | 1.41% |
| SEBASTOPOL INC | 4,041 | 172 | 4.26% |
| SANTA ROSA INC | 68,990 | 1,179 | 1.71% |
| ROHNERT PARK INC | 17,214 | 235 | 1.37% |
| PETALUMA INC | 24,361 | 608 | 2.50% |
| COTATI INC | 3,515 | 123 | 3.50% |
| CLOVERDALE INC | 3,243 | 23 | 0.71% |
| MENDOCINO | 30,767 | 434 | 1.41% |
| WILLITS INC | 2,201 | 20 | 0.91% |
| UNINC MENDOCINO CO | 24,865 | 356 | 1.43% |
| POINT ARENA INC | 295 | 16 | 5.42% |
| FORT BRAGG INC | 3,406 | 42 | 1.23% |
| Total | 230,759 | 3,890 | 1.69% |

CHANGES IN PARTICIPATION RATES OVER THE PAST 12 MONTHS

| COUNTY | Town/Territory | 01/03/22 | 12/30/22 | Difference |
|------------------|--------------------|----------------|----------------|--------------|
| MENDOCINO | Total | 30,804 | 30,767 | (37) |
| | FORT BRAGG INC | 3,354 | 3,406 | 52 |
| | POINT ARENA INC | 297 | 295 | (2) |
| | UNINC MENDOCINO CO | 24,943 | 24,865 | (78) |
| | WILLITS INC | 2,210 | 2,201 | (9) |
| SONOMA | Total | 198,783 | 199,992 | 1,209 |
| | CLOVERDALE INC | 3,228 | 3,243 | 15 |
| | COTATI INC | 3,515 | 3,515 | 0 |
| | PETALUMA INC | 24,135 | 24,361 | 226 |
| | ROHNERT PARK INC | 17,070 | 17,214 | 144 |
| | SANTA ROSA INC | 68,258 | 68,990 | 732 |
| | SEBASTOPOL INC | 4,027 | 4,041 | 14 |
| | SONOMA INC | 5,664 | 5,654 | (10) |
| | UNINC SONOMA CO | 64,110 | 64,188 | 78 |
| WINDSOR INC | 8,776 | 8,786 | 10 | |
| Total | | 229,587 | 230,759 | 1,172 |

MONTHLY COMPILED FINANCIAL STATEMENTS

The year-to-date change in net position is more than projections. Year-to-date revenue from electricity sales exceeded budget by 12% and cost of energy exceeded budget projections by 15%. Year-to-date electricity sales reached \$120,584,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$156,575,000, which indicates healthy growth as SCP continues to make progress towards its reserve goals. Approximately \$95,207,000 is set aside for operating reserves as of June 30, 2022.

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 12% at the end of the reporting period. The cost of electricity is more than the budget-to-date by approximately 15%. 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

- November 2022 Financials
- CalCCA Model Practices Guide, available at [this link](#) or by request to the Clerk of the Board

UPCOMING MEETINGS

- Community Advisory Committee - February 16, 2023
- Board of Directors - March 2, 2023
- Community Advisory Committee - March 16, 2023
- Board of Directors - April 6, 2023
- Community Advisory Committee - April 20, 2023



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 November 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
January 9, 2023

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of November 30, 2022

ASSETS

Current assets

| | |
|---------------------------------------|--------------------|
| Cash and cash equivalents | \$ 67,615,175 |
| Accounts receivable, net of allowance | 26,686,013 |
| Other receivables | 2,333,027 |
| Accrued revenue | 13,287,854 |
| Prepaid expenses | 1,426,332 |
| Deposits | 7,345,211 |
| Investments | 34,674,293 |
| Total current assets | <u>153,367,905</u> |

Noncurrent assets

| | |
|-------------------------------------|--------------------|
| Land | 860,520 |
| Capital assets, net of depreciation | 18,222,462 |
| Deposits | 846,256 |
| Total noncurrent assets | <u>19,929,238</u> |
| Total assets | <u>173,297,143</u> |

LIABILITIES

Current liabilities

| | |
|---|-------------------|
| Accrued cost of electricity | 10,692,232 |
| Accounts payable | 852,260 |
| Advanced from grantors | 3,074,682 |
| Other accrued liabilities | 1,439,725 |
| User taxes and energy surcharges due to other governments | 664,092 |
| Total current liabilities | <u>16,722,991</u> |

NET POSITION

| | |
|------------------------------|-----------------------|
| Investment in capital assets | 19,082,982 |
| Unrestricted | 137,491,170 |
| Total net position | <u>\$ 156,574,152</u> |

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

OPERATING REVENUES

| | |
|-------------------------------|--------------------|
| Electricity sales, net | \$ 119,494,849 |
| Evergreen electricity premium | 1,089,576 |
| Grant revenue | 190,086 |
| Total operating revenues | <u>120,774,511</u> |

OPERATING EXPENSES

| | |
|--------------------------------|-------------------|
| Cost of electricity | 86,690,042 |
| Contract services | 3,718,142 |
| Staff compensation | 2,853,491 |
| General and administration | 782,726 |
| Program rebates and incentives | 483,998 |
| Depreciation | 565,469 |
| Total operating expenses | <u>95,093,868</u> |
| Operating income (loss) | <u>25,680,643</u> |

NONOPERATING REVENUES (EXPENSES)

| | |
|---------------------------------------|------------------|
| Investment earnings (loss) | <u>(233,050)</u> |
| Nonoperating revenues (expenses), net | <u>(233,050)</u> |

CHANGE IN NET POSITION

| | |
|-------------------------------------|------------------------------|
| | 25,447,593 |
| Net position at beginning of period | <u>131,126,559</u> |
| Net position at end of period | <u><u>\$ 156,574,152</u></u> |

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS Five Months Ended November 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|-------------------|
| Receipts from customers | \$ 122,436,027 |
| Receipts from grantors | 3,414,695 |
| Other operating receipts | 1,999,652 |
| Payments to electricity suppliers | (92,075,169) |
| Payments for other goods and services | (5,417,233) |
| Payments for staff compensation | (2,795,995) |
| Tax and surcharge payments to other governments | (1,501,073) |
| Payments for program rebates and incentives | (1,667,306) |
| Net cash provided (used) by operating activities | <u>24,393,598</u> |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|------------------------------------|------------------|
| Payments to acquire capital assets | <u>(160,039)</u> |
|------------------------------------|------------------|

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|--|----------------|
| Interest income received | <u>278,074</u> |
| Net cash provided (used) by investing activities | <u>278,074</u> |

| | |
|--|----------------------|
| Net change in cash and cash equivalents | 24,511,633 |
| Cash and cash equivalents at beginning of year | <u>43,103,542</u> |
| Cash and cash equivalents at end of period | <u>\$ 67,615,175</u> |

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

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

| | |
|---|----------------------|
| Operating income (loss) | \$ 25,680,643 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | |
| Depreciation expense | 565,469 |
| Revenue adjusted for provision for uncollectible accounts | 2,585,694 |
| (Increase) decrease in: | |
| Accounts receivable | (2,367,797) |
| Other receivables | (672,780) |
| Accrued revenue | 143,955 |
| Prepaid expenses | 1,534,911 |
| Deposits | (1,882,230) |
| Increase (decrease) in: | |
| Accrued cost of electricity | (6,211,067) |
| Accounts payable | (449,469) |
| Advanced from grantors | 3,074,682 |
| Accrued liabilities | 2,177,910 |
| User taxes due to other governments | (11,323) |
| Supplier security deposits | 225,000 |
| Net cash provided (used) by operating activities | <u>\$ 24,393,598</u> |



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Sonoma Clean Power Authority

Management is responsible for the accompanying special purpose statement of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended November 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
January 9, 2023

**SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Five Months Ended November 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) * | \$ 106,243,150 | \$ 119,494,849 | \$ 13,251,699 | 112% | \$ 244,400,000 | \$ 124,905,151 |
| Evergreen Premium (net of allowance) | 1,005,050 | 1,089,576 | 84,526 | 108% | 2,312,000 | 1,222,424 |
| CEC Grant | 589,167 | 190,086 | (399,081) | 32% | 1,414,000 | 1,223,914 |
| Investment income | 158,333 | (233,050) | (391,383) | -147% | 380,000 | 613,050 |
| Miscellaneous Income | 427,083 | - | (427,083) | 0% | 1,025,000 | 1,025,000 |
| Total revenue and other sources | 108,422,783 | 120,541,461 | 12,118,678 | 111% | 249,531,000 | 128,989,539 |
| EXPENDITURES AND OTHER USES: | | | | | | |
| CURRENT EXPENDITURES | | | | | | |
| Cost of energy and scheduling | 75,278,778 | 86,690,042 | 11,411,264 | 115% | 171,380,000 | 84,689,958 |
| Data management | 1,115,417 | 1,118,558 | 3,141 | 100% | 2,677,000 | 1,558,442 |
| Service fees- PG&E | 407,917 | 406,565 | (1,352) | 100% | 979,000 | 572,435 |
| Personnel | 3,084,406 | 2,853,491 | (230,915) | 93% | 7,650,000 | 4,796,509 |
| Energy Center, marketing & communications | 1,127,859 | 892,367 | (235,492) | 79% | 2,557,000 | 1,664,633 |
| Customer service | 127,922 | 88,302 | (39,620) | 69% | 291,000 | 202,698 |
| General and administration | 466,499 | 479,792 | 13,293 | 103% | 1,140,000 | 660,208 |
| Legal | 179,167 | 102,601 | (76,566) | 57% | 430,000 | 327,399 |
| Regulatory and compliance | 216,583 | 122,253 | (94,330) | 56% | 460,000 | 337,747 |
| Accounting | 107,500 | 107,040 | (460) | 100% | 258,000 | 150,960 |
| Legislative | 91,667 | 40,000 | (51,667) | 44% | 220,000 | 180,000 |
| Other consultants | 237,917 | 138,195 | (99,722) | 58% | 571,000 | 432,805 |
| Industry memberships and dues | 242,500 | 259,711 | 17,211 | 107% | 560,000 | 300,289 |
| Program implementation | 2,674,761 | 607,432 | (2,067,329) | 23% | 6,025,000 | 5,417,568 |
| Program - CEC grant | 1,741,667 | 622,050 | (1,119,617) | 36% | 4,180,000 | 3,557,950 |
| Total current expenditures | 87,100,560 | 94,528,399 | 7,427,839 | 109% | 199,378,000 | 104,849,601 |
| OTHER USES | | | | | | |
| Capital outlay | 250,000 | 52,780 | (197,220) | 21% | 600,000 | 547,220 |
| Total Expenditures, Other Uses | 87,350,560 | 94,581,179 | 7,230,619 | 108% | 199,978,000 | 105,396,821 |
| Net increase (decrease) in available fund balance | \$ 21,072,223 | \$ 25,960,282 | \$ 4,888,059 | | \$ 49,553,000 | \$ 23,592,718 |
| <i>* Represents sales of approximately 900,000 MWh for 2022/23 YTD actual.</i> | | | | | | |
| RESERVES | | | | | | |
| Operating Reserve (as of June 30, 2022) | \$ 95,207,000 | \$ 152,948,000 | | | | |
| | | | % of Long-Term Target | | | |
| | | | 62% | | | |

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

| | |
|---|---------------|
| Net increase (decrease) in available fund balance per budgetary comparison schedule: | \$ 25,960,282 |
| Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position: | |
| Subtract depreciation expense | (565,469) |
| Add back capital asset acquisitions | 52,780 |
| Change in net position | \$ 25,447,593 |

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Staff Report - Item 09

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: February 2, 2023

Requested Action

Receive legislative and regulatory updates and provide direction as appropriate.

Regulatory Updates

[California Energy Commission Approves \\$2.9B Investment in Zero Emission Vehicle \(ZEV\) Support](#)

On December 14, 2022, the California Energy Commission (CEC) approved a plan for \$2.9 billion in funding for new electric vehicle (EV) charging and hydrogen refueling infrastructure in the State. CEC staff estimate that these funds will double the state's charging network from 80,000 publicly available chargers to 170,000, keeping the state on track to achieve its goal of 250,000 chargers installed by 2025.

The plan approved today includes:

- \$1.7 billion for medium- and heavy-duty ZEV infrastructure
- \$900 million for light-duty EV charging infrastructure
- \$118 million for ZEV manufacturing
- \$90 million for hydrogen refueling infrastructure
- \$97 million for emerging opportunities such as aviation, locomotive, marine vessels and vehicle-grid integration

- \$15 million zero- and near-zero-carbon fuel production and supply
- \$15 million for low-carbon fuels
- \$10 million for workforce development

The funds will become available over the next four years and distributed to projects through a mix of competitive funding solicitations and direct funding agreements. Projects include direct incentive and rebate programs for individuals and businesses. At least half of the funding will benefit low-income and historically disadvantaged communities on the front lines of the climate crisis.

As background, California surpassed one million zero emission vehicles sales in 2021. With only 10 percent of the nation's cars, California now accounts for over 40 percent of all zero-emission cars in the country. In addition, the State leads the country with the highest level of public funding, most extensive public charging network, and largest EV market share percentage of 18% of all new car registrations.

New CPUC Commissioner

Karen Douglas, 49, of Davis, has been appointed to the California Public Utilities Commission. Douglas served Senior Advisor for Energy in the Office of Governor Gavin Newsom since 2022. She was a California Energy Commission Member from 2008 to 2022. Douglas was Director of the California Climate Initiative for the Environmental Defense Fund from 2005 to 2008. She held several positions at the Planning and Conservation League from 2001 to 2005, including Acting Executive Director and General Counsel. Douglas earned a Juris Doctor degree from Stanford Law School and a Master of Public Policy degree in Environmental Policy from the University of Colorado Boulder.

Diablo Canyon Power Plant Update

In the last legislative session, Governor Newsom signed a bill extending the operation of PG&E's Diablo Canyon Nuclear Power Plant into 2030. The argument for its extension was that California cannot permit or build enough transmission plus baseload offshore wind and geothermal power fast enough to keep the lights on. On January 24, 2023, just prior to the circulation of this packet, the federal Nuclear Regulatory Commission denied PG&E's application for a license extension in a sternly-worded letter, rebuking PG&E for missing regulatory deadlines, failing to provide current plant conditions, and for voluntarily cancelling its application due to findings by PG&E that the plant was not useful beyond 2026 and then attempting to restart the cancelled application several years later.

What happens now is unclear. However, SCP's focus appears more valuable than ever on pushing California to accelerate the construction of desperately-needed transmission lines and accelerating the review and approval for interconnecting baseload renewable sources.

Legislative Update

The California legislature is back in session with 34 incoming freshman lawmakers, including Damon Connolly representing Southern Sonoma County and all of Marin. The following leadership posts and committee assignments were made:

Assembly

The Assembly appointed Anthony Rendon (D-Lakewood) as Speaker and Eloise Gómez Reyes as Majority Leader. The Assembly Utilities and Energy Committee now has the following members:

Eduardo Garcia, Chair
Jim Patterson, Vice Chair
Rebecca Bauer-Kahan
Lisa Calderon
Wendy Carrillo
Phillip Chen
Damon Connolly
Chris Holden
Devon Mathis
Al Muratsuchi
Eloise Gómez Reyes
Miguel Santiago
Pilar Schiavo
Phil Ting
Greg Wallis

Senate

The Senate has reappointed Senator Toni Atkins as the Senate President Pro Tem and appointed Senator Mike McGuire as Majority Leader. Senator Brian Jones has been appointed Senate Republican Leader.

For the Senate Committee on Energy, Utilities and Communications, the following appointments have been made:

Steven Bradford (D-Gardena), Chair
Brian Dahle (R-Bieber), Vice-Chair
Angelique Ashby (D-Sacramento)
Josh Becker (D-Menlo Park)
Anna M. Caballero (D-Merced)
Bill Dodd (D-Napa)
María Elena Durazo (D-Los Angeles)
Susan Talamantes Eggman (D-Stockton)
Lena A. Gonzalez (D-Long Beach)
Shannon Grove (R-Bakersfield)
Mike McGuire (D-Healdsburg)
Dave Min (D-Irvine)
Josh Newman (D-Fullerton)
Susan Rubio (D-Baldwin Park)
Kelly Seyarto (R-Murrieta)
Nancy Skinner (D-Berkeley)
Henry I. Stern (D-Los Angeles)
Scott Wilk (R-Santa Clarita)

State Budget

As expected, California's state budget has shrunk significantly relative to the last two years and the Governor's proposed budget includes medium-level cuts to building electrification, renewable energy development, electric vehicles and nearly all SCP-related activities. The likelihood of restoring any of the cuts is very low because that would require making deeper cuts elsewhere. Fortunately, SCP is not immediately impacted by any of the Governor's proposed cuts.

Federal

The House of Representatives on December 23, 2022, passed and sent to President Joe Biden a \$1.7 trillion omnibus fiscal year 2023 appropriations bill that boosts funding for the Department of Energy by 3.7 percent, to about \$46.5 billion, including increased research and development funds for energy efficiency, renewables, and nuclear and fossil energy. The DOE proposed tightening efficiency standards on lightbulbs to speed the transition to LEDs. The U.S. Postal Service plans to put 66,000 electric delivery trucks on the streets by 2028.

Other States

Washington and Oregon joined California in banning the sale of new gasoline vehicles by 2035.

Attachments

- Letter - re: Diablo Canyon NRC, available at [this link](#) or by request to the Clerk of the Board

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Staff Report - Item 10

To: Sonoma Clean Power Authority Board of Directors
From: Geof Syphers, Chief Executive Officer
Issue: Approve Sonoma Clean Power Authority's Updated Legislative Platform
Date: February 2, 2023

Requested Action

Approve updates to SCP's Legislative Platform.

Background

The SCP Board of Directors maintains a Legislative Policy Platform for the purpose of guiding policy advocacy, and updates it from time to time. The Board also adopted a policy governing the process for legislative advocacy in 2018 that governs how SCP takes positions.

In general, the Board directs staff to conduct legislative affairs as follows:

- Staff informs the Board of pending legislation at regular Board meetings.
- Following discussion, the Board provides direction to staff on what, if any position, it wishes to take in support of or in opposition to pending legislation. The Board may also delegate authority to the CEO to negotiate a position.
- All legislative affairs correspondence (e.g. letters to legislative members, other associations, etc.) will be provided to Board members at regular board meetings.

When there is not sufficient time to obtain advice from the SCP Board, the CEO is authorized to take positions, including in writing, consistent with the Board's adopted Legislative Policy. When the Chair and Vice Chair can be reached in a timely manner, the CEO will provide a recommended action and receive direction from the Chair and Vice Chair prior to taking a new position.

Discussion of Proposed Changes

PG&E's recent installation of automated "Fast Trip" systems is largely replacing the prior pre-planned shutoffs called "Public Safety Power Shutoffs." As a result, SCP has an interest in policy that advocates for greater transparency of Fast Trip system locations, customer protections for those most vulnerable to unplanned outages, and regulatory review and oversight of the use, frequency and duration of Fast Trip events, since IOUs have a financial interest in lowering their fire risk liability that can - at times - conflict with the public's interest for reliable power.

The second addition is to recognize the growing importance of SCP's advocacy for geothermal power. As further discussed in the GeoZone updates and documents, geothermal power has the potential to permanently shut down operating fossil methane power plants in ways that solar, wind and batteries cannot achieve on their own.

Fiscal Impact

No direct fiscal impact.

Attachments

- Attachment A - SCP Legislative Platform (redline from 2022), available at [this link](#) or by request to the Clerk of the Board



Staff Report - Item 11

To: Sonoma Clean Power Authority Board of Directors

**From: Carter Bell, Quantitative Analyst
Hannah Rennie, Senior Market Analyst
Deb Emerson, Managing Director, Power Procurement**

Issue: Receive Power Procurement Update

Date: February 2, 2023

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

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Staff Report - Item 12

To: Sonoma Clean Power Authority Board of Directors
**From: Kate Kelly, Director of Public Relations and Marketing
April Varellas, Brand Manager**
Issue: Receive 2022 Annual Report
Date: February 2, 2023

No written materials for this report. A presentation will be given at the meeting.