



**AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, JULY 6, 2023
9:00 A.M.**

EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 54953(F), MEMBERS OF THE BOARD OF DIRECTORS MAY PARTICIPATE IN THE JULY 6, 2023, MEETING AT ANY OF THE LOCATIONS SHOWN BELOW.

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

**WILLITS CITY HALL (TELECONFERENCE LOCATION)
111 E ST.
WILLITS, CA 95490**

MEMBERS OF THE PUBLIC MAY PARTICIPATE IN THE MEETING AT THE ABOVE PHYSICAL LOCATIONS OR REMOTELY THROUGH:

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 locations. 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 (Any private remote meeting attendance will be noticed or approved at this time)

BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve June 1, 2023, Draft Board of Directors Meeting Minutes (Staff Recommendation: Approve) **pg. 5**
2. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. 9**
3. Adopt Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (Staff Recommendation: Approve) **pg. 13**

BOARD OF DIRECTORS REGULAR CALENDAR

4. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. 19**
5. Receive Legislative and Regulatory Updates, Provide Direction and Approve Positions on Bills as Appropriate (Staff Recommendation: Approve) **pg. 31**

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.)

CLOSED SESSION

The Board of Directors of the Sonoma Clean Power Authority will consider the following in closed session:

6. Conference with Labor Negotiators - Agency Designated Representatives: Chair Fudge, Vice Chair Hopkins; Unrepresented Employee: Chief Executive Officer (Gov't Code Section 54957.6) **pg. 43**
7. Public Employee Performance Evaluation - Chief Executive Officer (Gov't Code Section 54957) **pg. 45**

ADJOURN

COMMONLY USED ACRONYMS AND TERMS

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

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**DRAFT MEETING MINUTES
BOARD OF DIRECTORS MEETING
THURSDAY, JUNE 1, 2023
9:00 A.M.**

CALL TO ORDER

(9:03 a.m. - Video Time Stamp: 00:03:02)

Vice Chair Hopkins called the meeting to order.

Board Members present: Vice Chair Hopkins, and Directors Bagby, Elward, Rogers, Zollman, Farrar-Rivas, Strong, Gjerde, and Alternate Director Lemus. Chair Fudge and Directors Barnacle and Ford were absent with prior notice.

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Stephanie Reynolds, Director of Internal Operations; Hannah Rennie, Portfolio Manager; and Josh Nelson, Special Counsel.

BOARD OF DIRECTORS CONSENT CALENDAR

(9:04 a.m. - Video Time Stamp: 00:04:16)

1. Approve May 4, 2023, Draft Board of Directors Meeting Minutes
2. Receive Geothermal Opportunity Zone Update
3. Approve and Authorize the CEO to Execute a New Contract with Sonoma Water for the Continuation of the Energy Education Program through June 30, 2025, with an Annual Not-To-Exceed Amount of \$300,000 and Aggregate Contract Value of \$600,000
4. Adopt an Ordinance of the Sonoma Clean Power Authority Electing to Become Subject to the Uniform Public Construction Cost Accounting Act and Establishing Bidding Procedures in Accordance with the Uniform Public Construction Cost Accounting Act
5. Approve the Load Management Standards Compliance Plan
6. Delegate Authority to the CEO, or his Designee, to Finalize Negotiations and Execute a Legal Services Agreement with Keys & Fox for up to \$200,000

Public Comment: None

Motion to approve the June 1, 2023, Board of Directors Consent Calendar by Director Farrar-Rivas

Second: Director Bagby

AYES: Bagby, Lemus, Elward, Rogers, Zollman, Farrar-Rivas, Strong, Gjerde, Hopkins

ABSENT: Barnacle, Fudge

BOARD OF DIRECTORS REGULAR CALENDAR

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

(9:06 a.m. - Video Time Stamp: 00:06:35)

Geof Syphers, CEO, discussed the CalCCA 2023 Annual Conference held in San Diego May 17 - 19 and mentioned that SCP had won an award for the Advanced Energy Center. Stephanie Reynolds, Director of Internal Operations, invited Hannah Rennie, Portfolio Manager, to give an update on two new power purchase agreements (PPA) to the Board. Ms. Rennie stated that the two new agreements are the Azalea project, a 60 MW solar + 38 MW battery storage project in Kern County, and the Pome project, a 100 MW battery storage project in San Diego County.

Vice Chair Hopkins asked for a discussion on battery storage and CEO Syphers mentioned that storage would be a priority going forward and he added that lithium will soon be mined in the Salton Sea region of California which will facilitate domestic battery production. Vice Chair Hopkins then asked if there was a concern for the disposal of lithium-ion batteries and CEO Syphers answered there is an existing recycling process, but his concern is that the number of batteries that will need recycling in the future is growing very rapidly. Director Bagby then asked what the main problem was for recycling these batteries and CEO Syphers answered that it was scaling because of EVs.

Director Reynolds then stated that GridSavvy Rewards customer enrollments were now over 6,500 customers, exceeding the original enrollment goal. She stated SCP would keep advertising the program .

Director Gjerde asked for more information on the donations to community partners from the GridSavvy program and Director Reynolds stated she would gather that information to present at an upcoming meeting.

Public Comment: None

8. Receive Legislative and Regulatory Updates, Provide Direction and Approve Positions on Bills as Appropriate

(9:26 a.m. - Video Time Stamp: 00:26:34)

CEO Syphers gave a regulatory update stating that the California Public Utilities Commission (CPUC) has decided that the Stockton Atascadero region will be unable to receive CCA service until 2025 or possibly later. He mentioned that SCP had helped identify some PG&E expenses that should not be charged to ratepayers, and added that this is an example of how SCP works as a ratepayer advocate. He then discussed the Governor's Budget Trailer Bill.

Director Bagby asked if the Directors could call legislators regarding the Budget Bill and CEO Syphers recommended they reach out to members they know well who work closely around the Senate and Assembly Budget Committees. Director Bagby then asked if staff could put together a list of talking points which Director Gjerde seconded.

Public Comment: None

No bill positions were presented during the discussion therefore no vote of the Board was required for this item.

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

(9:41 a.m. - Video Time Stamp: 00:41:28)

Director Farrar-Rivas announced that the City of Sonoma would be holding a Pride event June 1, 2023, and added that the City of Sonoma was discussing a climate action plan. Director Rogers stated that the City of Santa Rosa would be hosting a Pride event on Saturday, June 3, 2023. Alternate Director Lemus said that Cotati would be raising their Pride flag at 11:00 am, June 1, 2023. Director Elward announced Rohnert Park's first Progress Flag being raised June 1, 2023, at the library, and announced a Juneteenth event on June 19, 2023, in coordination with Sonoma State University. Vice Chair Hopkins announced a climate change funding program between the County of Sonoma and the City of Santa Rosa. Director Strong announced that the City

of Willits had authorized changes to their water and sewer rates. Director Gjerde mentioned an upcoming meeting with a new CPUC representative on June 22, 2023, and requested SCP staff provide relevant talking points to aid the discussion and mission.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(9:47 a.m. - Video Time Stamp: 00:47:37)

Public Comment: None

ADJOURN

(9:48 a.m. - Video Time Stamp: 00:48:00)

The meeting was adjourned by unanimous consent.



Staff Report - Item 02

To: Sonoma Clean Power Authority Board of Directors
From: Ryan Tracey, Director of Planning & Analytics
Geof Syphers, Chief Executive Officer
Issue: Receive Geothermal Opportunity Zone Update
Date: July 6, 2023

Background

SCP's Mission includes phasing out reliance on fossil fuel power sources altogether. Out of that desire, SCP began buying geothermal power in 2014 to ensure Sonoma and Mendocino County's robust solar power systems could be backed up with clean power every night and all through the winter instead of relying exclusively on natural gas power plants. EverGreen customers have played an important role in growing our local renewable sources, but the new construction has been limited to solar and battery storage to date.

As California's use of solar and wind has expanded, there is an urgent need to construct more renewable power that can operate through the winter, and regulators and lawmakers have ordered procurement of offshore wind and geothermal energy in response. There is also growing pressure by regulators for California to build new fossil fuel power plants to sustain grid reliability, and SCP is working to demonstrate those new plants are not needed.

The Geothermal Opportunity Zone (GeoZone) was established by the SCP Board of Directors and the Boards of Supervisors in Sonoma and Mendocino Counties to help guide the development of local geothermal power so that local stakeholders can have a voice in the state's process. In addition, SCP's interest is in developing the resources necessary to allow SCP to stop relying on natural gas power plants altogether and to stop paying fossil fuel power plants for grid reliability. Since no fossil fuel power plants are located within SCP territory, and most are located in poor regions of California, the GeoZone is also working toward greatly reducing the air pollution we are causing in communities of concern. To these goals, the GeoZone is

seeking to sustain existing local geothermal production and add 600 MW of new geothermal capacity.

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

Private Partner Activity

GeoZone partners have been on-the-ground in the past month meeting with prospective site hosts and evaluating the compatibility of candidate sites with proposed technologies and development strategies. Negotiating site host agreements will allow partners to move forward with exploratory well design and permitting, transmission planning, and more focused stakeholder engagement.

Meanwhile, SCP organized a summit with Cyrq Energy and Calpine to discuss the opportunity of installing thermal storage technology at a Calpine Geysers facility on June 22. The parties discussed the business case for thermal storage and the potential for commercial agreements. SCP has a cooperation agreement with Cyrq but there is no formal agreement yet with Calpine.

Three months have elapsed since SCP and its partners executed GeoZone cooperation agreements. Partners are due to deliver SCP a quarterly update on progress on their GeoZone obligations. Staff has issued a formal request for GeoZone updates and expects partners to report on progress by mid-month.

Public Engagement

SCP expects to hold its next public engagement meeting for the GeoZone before the end of September. The meeting will provide a brief overview of the GeoZone to participants and characterize the grid's status quo of relying on natural gas capacity in the Central Valley and Southern California for reliability, but its primary focus will be to collect stakeholder input on principles for GeoZone development.

Staff is working on expanding its roster for stakeholder engagement by proactively reaching out to environmental NGOs. Over the past few months, SCP has also received requests from local community members near the Geysers to be added to the participant list for public meetings. All input is welcome—and interested parties are encouraged to e-mail GeoZone@sonomacleanpower.org to be added to the roster.

Grant Opportunities

SCP and Cirq are still awaiting a decision from the DOE on their application to the DOE's Long-Duration Energy Storage grant. Unfortunately, a separate concept paper submitted by Cirq and SCP for a subsequent grant opportunity for energy improvements to rural communities did not receive encouragement from DOE to pursue a full application.

SCP has provided Chevron New Energies with a letter of support for a GeoZone application they have submitted to the Bipartisan Infrastructure Law Enhanced Geothermal Systems (EGS) Demonstration grant. The full application for the EGS grant was due in mid-June.

Advocacy

SCP continues to advocate for the GeoZone and the broader potential for renewable sources that can support the closure of fossil-fuel power plants. In May, CEO Geof Syphers hosted a panel at the CalCCA Conference on "Unlocking Gigawatts of Geothermal". The panel included representatives from GeoZone partner Eavor, the world's largest geothermal developer Ormat, and Calpine and gave high visibility to the opportunity and challenges facing geothermal development for serving California's energy needs.

SCP also presented the GeoZone to a workshop at Darcy Partners in May, a worldwide aggregator of information on energy technology and innovation. The Darcy presentation led to two valuable follow-up connections: with the Sacramento Municipal Utility District (SMUD) and California Resources Corporation (CRC).

Staff also met with the California Public Utilities Commission (CPUC) in May to discuss transmission challenges specific to SCP's region—including the GeoZone. SCP is hopeful the information shared will be used in the CPUC's coordination with CAISO on transmission planning. SCP also submitted comments on the CPUC's proposed inputs and assumptions for their next IRP cycle, which included observations on assumptions on the cost and resource potential for geothermal power and the modeling of local transmission constraints. SCP will be closely monitoring the IRP process and advocating where appropriate for fair and representative treatment of the opportunity for geothermal to play a major role in the future grid.

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Staff Report - Item 03

To: Sonoma Clean Power Authority Board of Directors
From: Chris Golik, Revenue Manager
Issue: Adopt Resolution Authorizing Investment of Monies in the Local Agency Investment Fund
Date: July 6, 2023

Recommendation

Staff recommends that the Board of Directors adopt proposed Resolution No. 2023-03 (Attachment A) authorizing investment of monies in the Local Agency Investment Fund (LAIF).

Background

SCP's investment policy, adopted on October 7, 2021, states that the agency's investment goals are safety of principal, liquidity, and return on investment. The investment policy also specifies authorized investments, and expressly allows investment in the California State Treasury's Local Agency Investment Fund.

LAIF was created by statute and began in 1977 as an investment alternative for California's local governments and special districts. This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office professional investment staff.

LAIF has grown from 293 participants and \$468 million in 1977 to 2,362 participants and \$26.3 billion at the end of May 2023.

Discussion

LAIF provides local agencies with a way to invest cash held in the treasury pool that may be withdrawn as needed on a same-day basis to meet an agency's cash flow needs, while realizing interest. Consistent with SCP's investment goals, the investment policy of

the State Treasurer's Office places the goals of safety, liquidity, and yield above all others. Additional information about LAIF can be found in Attachment B.

To open a LAIF account, the State Treasurer's Office requires the adoption of proposed Resolution No. 2023-03.

Attachments

- Attachment A - Draft Resolution No. 2023-03 Authorizing Investment of Monies in the Local Agency Investment Fund
- Attachment B - LAIF Program Description

DRAFT RESOLUTION NO. 2023-03

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA CLEAN POWER AUTHORITY AUTHORIZING AND APPROVING THE INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND

WHEREAS, The Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1, et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Directors ("Board") of the Sonoma Clean Power Authority ("Authority") hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1, et. seq. for the purpose of investment as provided therein is in the best interests of the Authority; and

WHEREAS, that the Board hereby authorizes the deposit and withdrawal of Authority monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1, et. seq. for the purpose of investment as provided therein.

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

Section 1. Recitals. That the foregoing recitals are true and correct and a substantive part of this Resolution.

Section 2. Findings.

(a) The Board finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1, et. seq. for the purpose of investment as provided therein is in the best interests of the Authority.

(b) The Board hereby authorizes the deposit and withdrawal of Authority monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.

Section 3. The following Authority officers holding the title(s) specified herein below **or their successors in office** are each hereby authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

Geoffrey Syphers _____ NAME	Michael Koszalka _____ NAME	Erica Torgerson _____ NAME	Stephanie Reynolds _____ NAME
Chief Executive Officer _____ TITLE	Chief Operating Officer _____ TITLE	Managing Director of Customer Service _____ TITLE	Director of Internal Operations _____ TITLE
_____ SIGNATURE	_____ SIGNATURE	_____ SIGNATURE	_____ SIGNATURE

Section 4. This resolution shall remain in full force and effect until rescinded by the Board by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer’s Office.

Section 5. Certification. The Board Clerk shall certify the adoption of this Resolution.

DULY ADOPTED this 6th day of July 2023

JURISDICTION	NAME	AYE	NO	ABSTAIN/ ABSENT
Cloverdale	Director Bagby			
Cotati	Director Ford			
Petaluma	Director Barnacle			
Rohnert Park	Director Elward			
Santa Rosa	Director Rogers			
Sebastopol	Director Zollman			
Sonoma	Director Farrar-Rivas			
Willits	Director Strong			
Windsor	Director Fudge			
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

Local Agency Investment Fund (LAIF) Program Description

<https://www.treasurer.ca.gov/pmia-laif/laif/program.asp>

The Local Agency Investment Fund (LAIF), a voluntary program created by statute, began in 1977 as an investment alternative for California's local governments and special districts and it continues today under Treasurer Fiona Ma's administration. The enabling legislation for the LAIF is Section 16429.1 et seq. of the California Government Code.

This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office professional investment staff at no additional cost to the taxpayer.

The LAIF is part of the Pooled Money Investment Account (PMIA). The PMIA began in 1955 and oversight is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB members are the State Treasurer, Director of Finance, and State Controller.

The Local Investment Advisory Board (LIAB) provides oversight for LAIF. The Board consists of five members as designated by statute. The State Treasurer, as Chair, or her designated representative, appoints two members qualified by training and experience in the field of investment or finance, and two members who are treasurers, finance or fiscal officers or business managers employed by any county, city or local district or municipal corporation of this state. The term of each appointment is two years or at the pleasure of the Treasurer.

All securities are purchased under the authority of Government Code Section 16430 and 16480.4. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian. All investments are purchased at market and a market valuation is conducted monthly.

Additionally, the PMIA has Policies, Goals and Objectives for the portfolio to make certain that our goals of Safety, Liquidity and Yield are not jeopardized and that prudent management prevails. These policies are formulated by Investment Division staff and reviewed by both the PMIB and the LIAB on an annual basis.

The State Treasurer's Office is audited by the Bureau of State Audits on an annual basis and the resulting opinion is posted to the State Treasurer's Office website following its publication. The Bureau of State Audits also has a continuing audit process throughout the year. All investments and LAIF claims are audited on a daily basis by the State Controller's Office as well as an internal audit process.

Under Federal Law, the State of California cannot declare bankruptcy, thereby allowing the Government Code Section 16429.3 to stand. This Section states that

"moneys placed with the Treasurer for deposit in the LAIF by cities, counties, special districts, nonprofit corporations, or qualified quasi-governmental agencies shall not be subject to either of the following: (a) transfer or loan pursuant to Sections 16310, 16312, or 16313, or (b) impoundment or seizure by any state official or state agency."

During the 2002 legislative session, California Government Code Section 16429.4 was added to the LAIF's enabling legislation. This Section states that "the right of a city, county, city and county, special district, nonprofit corporation, or qualified quasi-governmental agency to withdraw its deposited moneys from the LAIF, upon demand, may not be altered, impaired, or denied in any way, by any state official or state agency based upon the state's failure to adopt a State Budget by July 1 of each new fiscal year."

The LAIF has grown from 293 participants and \$468 million in 1977 to 2,362 participants and \$26.3 billion at the end of May 2023.



Staff Report - Item 04

To: Sonoma Clean Power Authority Board of Directors

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

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

Date: July 6, 2023

WINDSOR VOTED YES ON EVERGREEN!

The Town of Windsor's 2023 - 2025 Operating Budget, which includes upgrading 100% of their SCP accounts to EverGreen, was approved at the 6/21 Town Council meeting! A big thanks to those that worked together on this effort, including Councilmember Fudge, Windsor's Sustainability Coordinator Katharine Gabor, and SCP's own Commercial Accounts Manager Leif Christiansen.

UPDATE ON COMMUNITY NEEDS ASSESSMENTS

As part of our Strategic Action Plan for Customer Offerings and Incentives, SCP has been actively conducting assessments in three important areas: transportation and mobility, residential energy use and resiliency, and agricultural energy use. A commercial energy use and resiliency study will begin later this year.

Transportation and mobility needs:

SCP has been working closely with consultant EVNoire and reaching out to dozens of community organizations in our service area. Through eight interviews with key informants, staff have gathered valuable insights. Based on this information, a draft landscape assessment is being developed that includes important demographic data and studies on electric mobility. This will help SCP plan focus groups and a survey to better understand the community needs for transportation and mobility.

Residential energy use and resiliency needs:

To better understand the needs of our residential customers, SCP is collaborating with the Sacramento Municipal Utility District (SMUD). SMUD conducted ten interviews with community representatives and seven interviews with contractors participating in SCP's rebate programs. In addition, SMUD completed a study evaluating how user-friendly SCP's website is for accessing offers and incentives. During the summer, SMUD will conduct a survey in both English and Spanish to gather more insights from our residential customers. Staff expect to use interview summaries, survey findings, and recommendations to consider new programs for the Committee and Board to consider.

Agricultural energy use:

Working under the guidance of SCP staff, Tierra Resource Consultants conducted in-depth interviews with twenty agricultural customers in Sonoma and Mendocino Counties. The interviews covered a wide range of sectors, including dairy, wine, livestock, crops, cannabis, and fruit. SCP also sent a survey to over 1,100 agricultural customers to gather insights on business challenges, program participation, and their familiarity with Sonoma Clean Power. This information will help SCP understand how to better support our agricultural customers.

These assessments are aimed at gathering essential information to guide decision-making and develop new programs. Staff will bring the new program ideas to the Community Advisory Committee for review and seek approval from the Board of Directors. We remain committed to meeting the needs of our community and making informed choices for their benefit.

RECENT AND UPCOMING COMMUNITY EVENTS

With community events in full swing, Sonoma Clean Power is sponsoring and participating in several events benefitting Sonoma and Mendocino counties including the recent Sonoma County Pride Celebration, trash removal through SCP's Adopt-a-Road agreement with the County of Sonoma, and the North Coast Wine and Food Festival (Presenting Sponsor). SCP also sponsored Country Summer with a new partnership benefitting the Redwood Empire Food Bank.

Upcoming events include the Sonoma County Fair Hall of Flowers sponsorship, Sonoma County Winegrowers 2023 Grower BBQ Exhibitor, Friday Night Live at the Plaza in Cloverdale, and the Cotati Music Festival.

MONTHLY COMPILED FINANCIAL STATEMENTS

The year-to-date change in net position is better than projections by approximately \$13,594,000. Year-to-date revenue from electricity sales is slightly under budget by less than 1% and cost of energy is under budget projections by about 5%. Year-to-date electricity sales reached \$235,243,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$194,118,000, which indicates healthy growth as SCP continues to make progress towards its long-term reserve goals. Approximately \$95,207,000 is set aside for operating reserves.

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 slightly under budget by less than 1% at the end of the reporting period.

The cost of electricity is less than the budget-to-date by approximately 5%. 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

- April 2023 Financial Statements

UPCOMING MEETINGS

- Community Advisory Committee - July 20, 2023
- Board of Directors - August 3, 2023
- Community Advisory Committee - August 17, 2023 (Tentative)
- Board of Directors - NO SEPTEMBER MEETING



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Sonoma Clean Power Authority

Management is responsible for the accompanying Budgetary Comparison Schedule of Sonoma Clean Power Authority (a California Joint Powers Authority) for the period ended April 30, 2023, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

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

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

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

Maher Accountancy

San Rafael, CA
June 5, 2023

**SONOMA CLEAN POWER AUTHORITY
 BUDGETARY COMPARISON SCHEDULE - OPERATING FUND
 Ten Months Ended April 30, 2023**

	2022/23 YTD		2022/23 YTD		2022/23 YTD Actual / Amended Budget %	2022/23 Amended Budget	2022/23 Amended Budget Remaining
	Amended Budget	Actual	Amended Budget	Over			
REVENUE AND OTHER SOURCES:							
Electricity (net of allowance) *	\$ 233,506,752	\$ 233,002,326	\$ (504,426)		100%	\$ 279,200,000	\$ 46,197,674
Evergreen Premium (net of allowance)	2,019,088	2,240,512	221,424		111%	2,389,000	148,488
CEC Grant	971,310	116,165	(855,145)		12%	1,414,000	1,297,835
Investment income	1,108,282	1,832,506	724,224		165%	1,488,000	(344,506)
Miscellaneous Income	683,333	11,320	(672,013)		0%	1,025,000	1,013,680
Total revenue and other sources	<u>238,288,765</u>	<u>237,202,829</u>	<u>(1,085,936)</u>		<u>100%</u>	<u>285,516,000</u>	<u>48,313,171</u>
EXPENDITURES AND OTHER USES:							
CURRENT EXPENDITURES							
Cost of energy and scheduling	165,587,672	156,560,110	(9,027,562)		95%	193,510,000	36,949,890
Data management	2,225,016	2,187,817	(37,199)		98%	2,677,000	489,183
Service fees- PG&E	817,408	822,908	5,500		101%	979,000	156,092
Personnel	6,268,664	6,137,397	(131,267)		98%	7,650,000	1,512,603
Energy Center, marketing & communications	2,308,516	1,723,593	(584,923)		75%	2,951,000	1,227,407
Customer service	231,570	155,773	(75,797)		67%	291,000	135,227
General and administration	982,256	938,808	(43,448)		96%	1,190,000	251,192
Legal	329,055	250,058	(78,997)		76%	430,000	179,942
Regulatory and compliance	345,529	195,231	(150,298)		57%	460,000	264,769
Accounting	218,467	230,900	12,433		106%	258,000	27,100
Legislative	162,667	80,000	(82,667)		49%	220,000	140,000
Other consultants	558,434	395,618	(162,816)		71%	746,000	350,382
Industry memberships and dues	471,714	403,915	(67,799)		86%	560,000	156,085
Program implementation	3,899,609	1,509,377	(2,390,232)		39%	5,456,000	3,946,623
Program - CEC grant	3,013,272	1,490,432	(1,522,840)		49%	4,180,000	2,689,568
Total current expenditures	<u>187,419,849</u>	<u>173,081,937</u>	<u>(14,337,912)</u>		<u>92%</u>	<u>221,558,000</u>	<u>48,476,063</u>
OTHER USES							
Capital outlay	418,719	75,776	(342,943)		18%	600,000	524,224
Total expenditures, other uses	<u>187,838,568</u>	<u>173,157,713</u>	<u>(14,680,855)</u>		<u>92%</u>	<u>222,158,000</u>	<u>49,000,287</u>
Net increase (decrease) in available fund balance	\$ 50,450,197	\$ 64,045,116	\$ 13,594,919			\$ 63,358,000	\$ (687,116)
<i>* Represents sales of approximately 1,849,000 MWh for 2022/23 YTD actual.</i>							
RESERVES	Current Balance	Long-Term Targeted	% of Long-Term Target				
Operating Reserve (as of June 30, 2022)	\$ 95,207,000	\$ 169,962,000	56%				

SONOMA CLEAN POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND (CONTINUED)
RECONCILIATION OF NET INCREASE IN AVAILABLE FUND BALANCE
TO CHANGE IN NET POSITION
Ten Months Ended April 30, 2023

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 64,045,116
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(1,129,496)
Add back capital asset acquisitions	<u>75,776</u>
Change in net position	<u><u>\$ 62,991,396</u></u>



ACCOUNTANTS' COMPILATION REPORT

Management
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of April 30, 2023, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

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

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

Maher Accountancy

San Rafael, CA
June 5, 2023

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of April 30, 2023

ASSETS

Current assets

Cash and cash equivalents	\$ 46,897,082
Accounts receivable, net of allowance	27,863,091
Other receivables	1,686,331
Accrued revenue	12,360,064
Prepaid expenses	1,279,826
Deposits	8,829,958
Investments	86,094,053
Total current assets	<u>185,010,405</u>

Noncurrent assets

Land	860,520
Capital assets, net of depreciation	17,687,472
Deposits	846,256
Total noncurrent assets	<u>19,394,248</u>
Total assets	<u>204,404,653</u>

LIABILITIES

Current liabilities

Accrued cost of electricity	1,263,144
Accounts payable	1,467,312
Advanced from grantors	3,074,682
Other accrued liabilities	3,860,402
User taxes and energy surcharges due to other governments	621,158
Total current liabilities	<u>10,286,698</u>

NET POSITION

Investment in capital assets	18,547,992
Unrestricted	<u>175,569,963</u>
Total net position	<u>\$ 194,117,955</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Ten Months Ended April 30, 2023

OPERATING REVENUES

Electricity sales, net	\$ 231,054,930
Evergreen electricity premium	2,240,512
Grant revenue	116,165
Total operating revenues	<u>233,411,607</u>

OPERATING EXPENSES

Cost of electricity	156,560,110
Contract services	7,446,450
Staff compensation	6,137,397
Other operating expenses	1,427,643
Program rebates and incentives	1,510,337
Depreciation	1,129,496
Total operating expenses	<u>174,211,433</u>
Operating income (loss)	<u>59,200,174</u>

NONOPERATING REVENUES (EXPENSES)

Grant revenue	1,958,716
Investment earnings (loss)	1,832,506
Nonoperating revenues (expenses), net	<u>3,791,222</u>

CHANGE IN NET POSITION

Net position at beginning of period	<u>131,126,559</u>
Net position at end of period	<u>\$ 194,117,955</u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS Ten Months Ended April 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 236,351,914
Receipts from grantors	3,880,224
Other operating receipts	10,335,200
Payments to electricity suppliers	(177,907,767)
Payments for other goods and services	(8,930,293)
Payments for staff compensation	(6,074,088)
Tax and surcharge payments to other governments	(2,998,164)
Payments for program rebates and incentives	(3,461,843)
Net cash provided (used) by operating activities	<u>51,195,183</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Grant revenue	<u>1,958,716</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(182,453)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	822,094
Purchase of certificates of deposit	<u>(50,000,000)</u>
Net cash provided (used) by investing activities	<u>(49,177,906)</u>

Net change in cash and cash equivalents	3,793,540
Cash and cash equivalents at beginning of year	<u>43,103,542</u>
Cash and cash equivalents at end of period	<u>\$ 46,897,082</u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS

(Continued)

Ten Months Ended April 30, 2023

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

Operating income (loss)	\$ 59,200,174
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	1,129,496
Revenue adjusted for provision for uncollectible accounts	3,044,437
(Increase) decrease in:	
Accounts receivable	(4,003,619)
Other receivables	75,693
Accrued revenue	1,071,745
Prepaid expenses	1,681,417
Deposits	(3,366,977)
Increase (decrease) in:	
Accrued cost of electricity	(14,054,840)
Accounts payable	158,491
Advanced from grantors	3,074,682
Accrued liabilities	608,341
User taxes due to other governments	(54,257)
Supplier security deposits	2,630,400
Net cash provided (used) by operating activities	<u>\$ 51,195,183</u>



Staff Report - Item 05

To: Sonoma Clean Power Authority Board of Directors

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

Issue: Receive Legislative Regulatory Updates, Provide Direction, and Approve Positions on Bills as Appropriate

Date: July 6, 2023

Requested Action

Receive legislative and regulatory updates and provide direction and approve positions on bills as appropriate.

Regulatory Updates

FERC Approves PG&E Plan to Spin Off 49.9% of Generating Assets to New Entity

Last week, the Federal Energy Regulatory Commission (FERC) approved PG&E's proposal to transfer 5.6 GW of generation assets to a new subsidiary. The assets proposed include 3.8 GW of hydroelectric facilities, 1.4 GW of gas generation, 182 MW of battery storage, and 152 MW of solar generation. PG&E expects the CPUC to issue a proposed decision on the proposal early in 2024, according to CEO Patricia Poppe.

As background, last September, PG&E submitted an application with the California Public Utilities Commission seeking approval to transfer generation assets to a new subsidiary, Pacific Generation LLC. The utility's stated rationale for this proposal is to raise equity capital to pay for a portion of the construction work needed for its mandated fire risk reduction work and connecting new homes, businesses and generating resources. PG&E reasoned that Pacific Generation, without the liability of PG&E Corporation's transmission and distribution infrastructure, would be viewed by investors as an entity with less risk. SCP staff note, however, that the remaining PG&E

Corporation could reasonably be viewed as having proportionally higher risk as a result of the transaction, potentially offsetting the benefit.

PG&E's proposed plan is to offer investors a 49% ownership stake in all of PG&E's utility-owned generation, with the exception of Diablo Canyon Power Plant. This subsidiary would remain wholly owned by PG&E, with the utility continuing to operate and maintain the facilities. While Pacific Generation would collect revenues, PG&E would continue to bill customers for the costs to own and operate the plants. The Power Charge Indifference Adjustment (PCIA) exit fee would remain in place, with both PG&E and Pacific Generation levying separate PCIA charges, the sum of which would appear as a single line item on customer bills. PG&E claims that rates would not be impacted by this transaction and that it would not dilute the equity value for existing shareholders, including the Fire Victim Trust established in their most recent bankruptcy.

Staff have concerns that PG&E's parent corporation may be trying to shield roughly \$3 billion in assets from its next bankruptcy. Early exploration of this issue is focused on ensuring the true valuation of all the assets and liabilities, i.e., not the "book" or "regulatory" values, but what the fraudulent transfer laws call the "fair value." However, further review of this matter is underway to learn more about how to safeguard future fire victims from having PG&E's generation assets unethically walled off from their claims.

SCP staff will closely monitor this Application to ensure that if it were adopted neither customers nor the climate would be adversely impacted.

CPUC Approves Decision Granting CCA Customers Financial Credit for GHG-free Resources

The California Public Utilities Commission approved a Decision which will provide customers who have left bundled utility service (i.e., those receiving generation service from 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. The GHG-free credit will put downward pressure on customer bills by

January of 2024. It does not have any impact on the resources SCP uses to provide clean generation to customers.

Legislative Update

Leadership in the Assembly and Senate reached a broad budget deal on June 26. In the \$310.8 billion budget, spending on climate protection was ultimately cut less than 5% in a compromise brokered by Senate Democrats. The Governor's push to set timelines for environmental review of critical climate projects was eventually pared back significantly in the face of environmental and labor opposition.

The 2023-24 budget process is not over. It is anticipated a budget "junior" bill will be introduced when the Legislature returns from its summer recess in August and a complete picture of the amount of taxes received for 2022 will not be known until the 2022 taxes are filed on October 15.

For CCAs, an early victory was won by pressuring the Senate and Assembly to reject the Governor's policies that would have made it difficult and financially risky for CCAs to continue building new renewable energy and storage projects. Senator McGuire led the successful effort to keep those policies out of the budget deal. However, we expect to have to continue to battle through this entire session to prevent these policies from returning.

CalCCA led a coalition to testify in all of the hearings on the risks, costs and issues with pre-empting CCA authority to select power resources, adding new compliance penalties in a market with insufficient resources, and expanding the potential use of central procurement to include all resources.

New Resource Adequacy Penalties

Staff believe that efforts to educate legislators and their staff on the overall shortages of the existing Resource Adequacy (RA) market have successfully ended the efforts to create a new additional penalty on top of the existing penalties for missing compliance obligations. It was helpful to share with lawmakers that investor-owned utilities like PG&E are allowed to wait to sell their excess RA resources until after the compliance deadlines, are not required to sell their excess at any time and are financially protected from any harm related to failing to sell their excess.

Central Procurement

There is broad agreement in the legislature that central procurement is needed for very long lead-time resources needing new transmission pathways like offshore wind.

Central Procurement is a process by which the State or a large utility buys a resource and applies the costs to everyone else, and it is used when there is no ability by individual power providers to procure the same resources. To counter the presumption that CCAs cannot build complex resources, CalCCA has illustrated how both offshore wind and large-scale new geothermal power resources were significantly initiated in California by CCAs, and that CC Power already has the financial capability to procure multi-billion-dollar resources.

The Governor's initial budget proposal to allow the CPUC to order PG&E and the other utilities to centrally buy any type of resource for any purpose was successfully beaten back by the CCAs. The reason this proposal is so dangerous for CCAs is that it would essentially prevent CCAs from building any new resources, since the CPUC would be free to assign similar resources to that same CCA later when the CCA would have no use for them, effectively causing ratepayers to pay for a resource they cannot use. The effect is that CCAs could have to stop building new resources altogether.

Regardless, some form of additional Central Procurement is likely to be proposed to solve the perceived inability of the electric power sector to build offshore wind. CalCCA's focus then is to ensure two things:

- All Central Procurement should be through the Department of Water Resources - a state agency - so that every single electric customer in the state will share in the expenses, rather than through the investor-owned utilities where costs could not be shared with the municipal power providers; and
- The types of resources should be limited to very long lead-time technologies that require new transmission pathways, including offshore wind and Salton Sea geothermal.

In the event that the legislature ultimately decides it needs to allow some aspects of Central Procurement to be ordered by the CPUC for the Investor-Owned Utilities to carry out, that focus should be further narrowed to ensure that sufficient opportunity is provided to all electric providers to self-procure before any orders are given.

Governor's Permit Streamlining

The Governor's proposed infrastructure package included 11 measures that were aimed to streamline the permitting process among federal, state and local governments, limit the time courts have to hear challenges on environmental reviews, and increase funding to state agencies. The final compromise narrowed the types of projects that can take advantage of an expedited approval of permits, and left out the contentious proposed delta tunnel proposal, parts of the energy proposal, and

transportation proposals. These proposals will be reviewed in the recently created Senate Select Committee on Infrastructure Streamlining and Workforce Equity. Senator McGuire is the Chair of the committee and the committee will take up the following issues as proposed in the Governor's infrastructure package:

California Environmental Quality Act (CEQA) Judicial Streamlining

CEQA Administrative Record Reform

Extension of SB 7 (Atkins), Chapter 19, Statutes of 2021: Jobs and Economic Improvement Through Environmental Leadership Act of 2021.

Fully Protected Species

Progressive Design Build Contracting Authority for the California Department of Transportation (Caltrans) and the Department of Water Resources

Job Order Contracting for Caltrans

National Environmental Policy Act Extension

Direct Contracting Authority for I-15 Wildlife Crossings

Environmental Mitigation for Caltrans

Workforce Equity in Infrastructure

Existing Legislative Positions

- **AB 50 (Wood) - Timely Electrical Interconnection - Support**

Sets reporting requirements for IOUs that are failing to timely connect new homes and businesses to the grid. Requires IOUs to share information about where the grid is deficient and will likely lead to problems with new construction, home electrification and EV charging.

- **AB 538 (Holden) - Regionalization - Watch**

Assembly Member Holden has indicated that this might become a 2-year bill. Would join California's largest grid reliability operations at CAISO with grid operators in other states to "regionalize" the reliability of our grid. The Author's goal is to increase coordination across state boundaries to create a more efficient wholesale power market, lower costs and lower emissions by allowing more day-ahead planning for the use of clean power resources outside

California.

- **AB 593 (Haney) - Carbon emission reduction - Support**

Would require the CEC by June 2024 to identify an emission reduction strategy with milestones for the building sector. To date, the State's building codes have a number of implied emission reduction elements (e.g., energy efficiency) but are not explicitly linked. The strategy would need to maximize workforce development, minimize impacts on ratepayers, support the State's extreme heat goals, switch to heat pumps in areas with extreme weather, and reduce barriers for low-income households.

- **AB 643 (Berman) - Electricity Interconnection Timelines - DEAD**

This bill was held. Would have required reports to get more information about delays in connecting customer owned solar and battery resources.

- **AB 914 (Friedman) - Transmission upgrade CEQA timelines - Watch**

This bill originally proposed CEQA exemptions for expanding the capacity of existing transmission lines, but despite support from labor, the IOUs and municipal power, it was narrowed to simply setting a two-year timeline for permitting review. The bill pertains to infrastructure projects needed to accommodate increased electrical demand associated with transportation electrification, building electrification and distributed-energy projects, and the renewable energy and storage supply resources needed to provide for those new loads.

- **AB 982 (Villapudua) - Public Purpose Programs - Watch**

This bill is now a two-year bill. Would shift the financing from gas and electric rates to state general tax appropriations for most programs funding low-income weatherization, energy efficiency, customer-owned renewable energy and storage incentives, home insulation programs, rate assistance for food banks and the small-scale biomass program.

- **AB 1379 (Papan) - Open meetings: teleconference - DEAD**

This bill was held. Would have removed the restrictions on the ability of legislative body members to teleconference into open and public meetings.

- **AB 1538 (Muratsuchi) - Clean Energy Reliability - DEAD**

This bill was held. Would have established a Clean Energy Reliability Program to be administered by the CPUC to provide incentive payments to electricity providers that bring clean energy resources online earlier than their compliance requirements.

- **SB 83 (Wiener/Wood) - Interconnection Timelines - DEAD**

This bill was held. Would have imposed specific deadlines for an IOU connecting new homes, solar power systems, batteries and other resources.

- **SB 319 (McGuire) - Electricity transmission planning - Support**

Would require the CEC, CPUC, and CAISO to review and report on their transmission needs and plans over the next decade.

- **SB 410 (Becker) - Powering Up Californians Act - Support**

Would require the CPUC to ensure IOUs connect new buildings and electricity service capacity upgrades to customers on a reasonable timeframe. Sets an average and maximum timeline in which electrical utilities should connect customers to the grid.

- **SB 411 (Portantino) - Remote Meetings - Was Support; now No Position**

Originally, the bill would have allowed fully remote meetings for bodies whose members are appointed. However, the bill was amended in committee on April 20 to limit its scope to neighborhood associations in Los Angeles County, so SCP now has no position.

- **SB 527 (Min) - Neighborhood Decarbonization - Support**

Would require the CPUC for a five-year pilot period to facilitate neighborhood-scale retrofits from gas to electric infrastructure when it is cost effective (e.g., during times when the gas infrastructure would otherwise need major repairs or replacement), and where it prioritizes alleviating the pollution burden in areas with the highest impacts (e.g., low-income, disadvantaged). After five years, the pilot would be assessed and the CPUC would decide in its sole discretion whether to continue it. Critically, the bill would clarify that a gas company does not have an obligation to provide gas when AB 527 conditions allow a conversation to electric energy.

- **SB 537 (Becker) - Public meeting teleconference - Support**

Would allow multijurisdictional, cross county legislative bodies to use alternate teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. Requires a multijurisdictional legislative body to provide a record of attendance on its internet website within seven days after a teleconference meeting along with immunocompromisation in the list of health exemptions from previous legislation.

Positions Taken Since Last Meeting

- **AB 1373 (E. Garcia) - Energy - NEUTRAL**

This bill was used as the vehicle to allow hearings and debate about the Governor's proposed energy policies. Originally, the Governor had placed a number of energy policies into his budget, which would have prevented hearings on those topics.

After significant work by SCP, numerous other CCAs and the CalCCA trade association, AB 1373 was amended to address most of the serious concerns, including: (a) shifting central procurement from the investor-owned utilities to the State Department of Water Resources to ensure that all electric customers (including municipal customers) pay for critical statewide reliability resources; (b) eliminating a duplicative new financial penalty for resource adequacy deficiencies; and (c) narrowing the scope of central procurement to offshore wind and geothermal to prevent widespread market disruption and allow CCAs to continue building new resources.

The remaining issue with the bill is that while it detailed all the guardrails for central procurement by the State, in a separate section it left the door open for the CPUC to order central procurement by the investor-owned utilities without any limitations (i.e., they would be able to pre-empt CCA rights to procure and order the IOUs to centrally procure solar and batteries, wind and generally anything the CPUC deemed essential). See the attached letter to read the specific requests SCP continues to make on the bill.

Proposed New Legislative Positions

None.

Attachments

- Attachment A - SCP AB1373 Letter - Neutral



431 E Street
Santa Rosa, CA 95404
sonomacleanpower.org

June 30, 2023

Senator Steve Bradford
Chair, Senate Energy, Utilities and Communications Committee
1021 O Street, Room 3350
Sacramento, CA 95814

Re: Neutral on AB 1373 with requested amendments

Dear Chair Bradford:

Based on amendments taken on May 22, the Sonoma Clean Power Authority (SCP), serving the counties of Sonoma and Mendocino, has adopted a NEUTRAL position on the bill. If California walks down the path of central procurement of strategic resources, SCP supports AB 1373's approach of placing the responsibility solely with the Department of Water Resources (DWR) and limiting the scope of resources to offshore wind and geothermal resources.

While SCP appreciates the Assembly's tailored approach to strategic central procurement, however, one critical clarifying amendment is needed. AB 1373 appropriately places adequate guardrails around DWR as a central procurement entity that will mitigate the risk of market disruption and protect ratepayers. However, while perhaps inadvertent, the bill establishes no guardrails around IOU central procurement and, in fact, appears to expand the IOUs' role. The IOUs' role in central procurement should be clarified to prevent market disruptions, enable CCA customers to benefit from low cost public financing, and avoid interfering with other procurement required in Integrated Resource Planning. If a CCA or any other LSE fails to do their job, CalCCA's amendment (below) gives the California Public Utilities Commission (CPUC) a tool to keep the state moving in the right direction. For this reason, we request that the following provision to be added to PUC Section 380 in the proposal:

The commission may not direct an electrical corporation to procure resources on behalf of another load-serving entity to expand resource diversity or meet the state policy specified in Section 454.53 unless:

(1) The commission has first identified the resources needed to meet these objectives and provided the opportunity for each load-serving entity to procure the resources on behalf of its customers; and

(2) The load-serving entity has not procured these resources within a reasonable time frame specified by the commission.

We feel this amendment will give regulators the tools to ensure energy reliability and to reach our decarbonization goals while preserving the right for communities to make their own energy procurement decisions in the interest of the ratepayers they represent.

We greatly appreciate the many amendments already made to refine this proposal to better reflect the stated intent and look forward to continuing working with you to resolve our remaining concerns. If you have any questions, please contact Geof Syphers at 707-225-1073.

Sincerely,

A handwritten signature in black ink, appearing to read "Geof Syphers", enclosed in a large, loopy oval flourish.

Geof Syphers, CEO

cc: Senator McGuire

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Staff Report - Item 06

To: Sonoma Clean Power Authority Board of Directors

From: Deb Fudge, Chair
Lynda Hopkins, Vice Chair
Josh Nelson, Special Counsel

Issue: Conference with Labor Negotiators - Agency Designated
Representatives: Chair Fudge, Vice Chair Hopkins; Unrepresented
Employee: Chief Executive Officer (Gov't Code Section 54957.6)

Date: July 6, 2023

There are no written materials for this item.

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Staff Report - Item 07

To: Sonoma Clean Power Authority Board of Directors
From: Geof Syphers, Chief Executive Officer
**Issue: Public Employee Performance Evaluation - Chief Executive Officer
(Gov't Code Section 54957)**
Date: July 6, 2023

There are no written materials for this item.