Sonoma Clean Power

AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, AUGUST 3, 2023
9:00 A.M.

EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 54953(F), MEMBERS OF THE BOARD OF DIRECTORS MAY PARTICIPATE IN THE AUGUST 3, 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 July 6, 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. Approve and Delegate Authority to the CEO or his Designee to Execute First Amendment to Contract with Frontier Energy, Inc. to add $10,536 for an Amount Not-to-Exceed $150,179 through August 30, 2023, to Close Out Remaining Projects with On-Bill Financing Agreements (Staff Recommendation: Approve) **pg. 13**
4. Approve and Delegate Authority to the CEO or his Designee to Execute an Agreement for Professional Services with Alternative Energy Systems Consulting, Inc. through December 31, 2024, with a Not-To-Exceed Amount of $118,000 to Provide Technical Assistance for Sonoma Clean Power's Workplace Charging Research Project (Staff Recommendation: Approve) **pg. 15**
5. Approve and Delegate Authority to the CEO, or his Designee, to Execute a Contract with BlastPoint through June 30, 2024, with a Not-to-Exceed Amount of $176,000 for New Data-Driven Customer Insights (Staff Recommendation: Approve) **pg. 19**

BOARD OF DIRECTORS REGULAR CALENDAR

6. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. 21**
7. Receive Legislative and Regulatory Updates, Provide Direction and Approve Positions on Bills as Appropriate (Staff Recommendation: Approve) **pg. 37**
8. Receive Presentation on 2023 Brand Awareness Survey Findings (Staff Recommendation: Receive and File) **pg. 45**
9. Appoint an Ad Hoc Committee for the Community Advisory Committee Recruitment Process (Staff Recommendation: Approve) **pg. 47**
10. Approve Salary Increases, Retirement Contribution, and Annual Contract Goals for Chief Executive Officer Syphers (Staff Recommendation: Approve) **pg. 49**

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA
(Comments are restricted to matters within the Board's jurisdiction. Please be brief and limit spoken comments to three minutes, or 300 words if written.)

ADJOURN

COMMONLY USED ACRONYMS AND TERMS

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

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DRAFT MEETING MINUTES
BOARD OF DIRECTORS MEETING
THURSDAY, JULY 6, 2023
9:00 A.M.

CALL TO ORDER

(9:05 a.m. - Video Time Stamp: 00:06:51)

Chair Fudge called the meeting to order.

Board Members present: Chair Fudge, Vice Chair Hopkins, and Directors Bagby, Ford, Barnacle, Elward, Rogers, Zollman, Farrar-Rivas, Strong, and Gjerde.

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Stephanie Reynolds, Director of Internal Operations; Kate Kelly, Director of Public Relations and Marketing; Neal Reardon, Director of Regulatory Affairs; and Josh Nelson, Special Counsel.

BOARD OF DIRECTORS CONSENT CALENDAR

(9:06 a.m. - Video Time Stamp: 00:11:23)

1. Approve June 1, 2023, Draft Board of Directors Meeting Minutes
2. Receive Geothermal Opportunity Zone Update
3. Adopt Resolution Authorizing Investment of Monies in the Local Agency Investment Fund

   Public Comment: None

   Motion to approve the June 1, 2023, Board of Directors Consent Calendar by Director Barnacle

   Second: Vice Chair Hopkins

   AYES: Bagby, Ford, Barnacle, Elward, Rogers, Zollman, Farrar-Rivas, Strong, Fudge, Gjerde, Hopkins

BOARD OF DIRECTORS REGULAR CALENDAR

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

   (9:08 a.m. - Video Time Stamp: 00:13:39)

   Stephanie Reynolds, Director of Internal Operations, introduced Zechariah Jones SCP's new Customer Service Associate. She announced that SCP had been named a Gold Level Bicycle Friendly Business. Ms. Reynolds announced that the Town of Windsor voted to transition all accounts to EverGreen. Geof Syphers, CEO, discussed SCP's Community Needs Assessments and stated that a presentation of the results would be held at a future meeting.

   Director Zollman requested a list of interviewees for the transportation and mobility needs assessment.

   Kate Kelly, Director of Public Relations and Marketing, discussed SCP's community outreach and events, highlighting Sonoma County's Pride Event, Adopt-a-Road trash removal, Cloverdale's Friday Night Lights, Country Summer, and the upcoming Sonoma County Fair Hall of Flowers.

   Director Elward recommended that the SCP team help at local foodbanks and CEO Syphers invited the Board to help as well. Director Farrar-Rivas added that she would like Sonoma Overnight Support added to the list.

   CEO Syphers shared financial news stating that for the current fiscal year energy costs are trending lower. He discussed resource adequacy and stated that on June 6, 2023, the CPUC fined SCP $442,012 for being 1.5% short in the year-ahead filing for the month of July 2023 and 11% short for the month of August. This fine was levied because – even though SCP eventually completely filled its entire regulatory obligation – it was after the year-ahead deadline.

   Director Ford asked if the cost to be compliant with the filing would have been higher than the penalty fine. CEO Syphers responded yes – in theory, however SCP was unable to purchase sufficient capacity at any cost for those months.

   Public Comment: None

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

   (9:38 a.m. - Video Time Stamp: 00:43:40)

Neal Reardon, Director of Regulatory Affairs, discussed the Federal Energy Regulatory Commission (FERC) decision to allow PG&E to sell a minority 49% stake of its generating assets to an investor.

Director Bagby asked if the Potter Valley hydroelectric system was included in the decision and Director Reardon answered that it was. CEO Syphers added that PG&E would only be selling a minority interest which would allow PG&E to maintain control, likely meaning this deal would not significantly impact the outcome of the Potter Valley system. Director Rogers asked if this was another indicator of PG&E's financial insolvency and CEO Syphers responded that it certainly indicated PG&E's difficulty in raising cash to maintain its infrastructure. Director Rogers then asked if there is any impact to the current Wildfire Victims Trust and Director Reardon responded that it would help PG&E raise more capital without relying solely on issuing new equity and lowering the value of the Wildfire Victims Trust. Director Gjerde asked what the estimate for the PCIA buyout would generate in capital for PG&E and CEO Syphers responded that SCP had run the numbers during the last bankruptcy, and it was $17B at that time, while noting that the value today would be far lower.

CEO Syphers introduced Katherine Brandenburg, the Brandenburg Group, to give the legislative update. Ms. Brandenburg announced that the Governor's Office and the Legislature reached a $310B budget deal and the Legislature had until September 15, 2023, to pass remaining bills. She said that Senator Dodd, Assembly Member Connelly, and Assembly Member Wood have been amazing to work with regarding CCA legislation. She said AB 50 (Wood) regarding public utilities would be heard the following week and AB 1373 (Garcia) had portions that would harm CCAs removed and was now in the Senate. CEO Syphers added that Senator McGuire really worked hard for CCAs in this legislative session.

Vice Chair Hopkins asked how SCP could be on the offense in support of CCAs and CEO Syphers responded that the good news is CCAs now have the ability to build legislative coalitions. Director Farrar-Rivas asked about the new Speaker of the Assembly's knowledge of CCAs and Ms. Brandenburg responded that he has a lot of knowledge.

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

(10:07 a.m. - Video Time Stamp: 01:12:27)

Director Barnacle announced that Petaluma would have the Petaluma Music Festival on July 29, 2023. Director Ford announced Cotati's Kids Day. Director Farrar-Rivas mentioned that the City of Sonoma was electrifying fire vehicles. Chair Fudge stated that the Sonoma Marin Area Rail Transit (SMART) has set ridership records and secured funding for the expansion to Healdsburg. Director Rogers added that the Youth Rider Free Program for SMART has added to the increase.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(10:10 a.m. - Video Time Stamp: 01:15:38)

Public Comment: None

CLOSED SESSION

(10:11 a.m. - Video Time Stamp: 01:16:22)

Public Comment: None

10:11 a.m. Director Ford was replaced by Alternate Director Lemus.

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)

   No reportable action.

7. Public Employee Performance Evaluation – Chief Executive Officer (Gov't Code Section 54957)

   No reportable action.

ADJOURN

(10:12 a.m. - Video Time Stamp: 01:16:03)

The meeting was adjourned by unanimous consent to Closed Session.

11:56 a.m. Closed Session was adjourned.

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: **August 3, 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 local 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

As required by their cooperation agreements, GeoZone partners delivered their first quarterly updates to SCP this past month. Below is a summary of the progress each partner has made towards achieving their obligations to deploy their technology in the GeoZone:

Cyrq Energy

Cyrq has selected a candidate technology for deployment at the GeoZone: the ENDURING sand-based system developed by the National Renewable Energy Laboratory (NREL) and optioned by Babcock & Wilcox (B&W). Cyrq selected the technology because of the durability and availability of sand, alignment with the operating specifications for a system at the Geysers, and the ability to domestically source the materials and engineering.

Cyrq has been working on preliminary engineering to understand the compatibility of thermal storage at an existing plant at the Geysers. Cyrq has been in discussions with Calpine to understand the primary engineering and commercial concerns with a demonstration project. SCP hosted a summit between Cyrq, B&W, and Calpine to align on near-term activities to enable a site hosting agreement for a demonstration and scale-up.

Cyrq submitted an application for the Department of Energy Office of Clean Energy Demonstration's Long-Duration Storage grant to partially fund the demonstration project. Cyrq's project team included SCP, NREL, Backcock & Wilcox, and EthosEnergy. Selections for the grant are expected later this year. Cyrq and SCP are anticipating further grant opportunities through the California Energy Commission (CEC) and Department of Energy (DOE).

Chevron New Energies

Chevron has completed a regional resource assessment using publicly available data on geology and temperature. Chevron's technical work is being used to select areas of interest for locating pilots and prioritize the work of Chevron's land team.

Meanwhile, Chevron has discussed interconnection requirements with PG&E and started characterizing the interconnection locations for potential project sites. Also, a third-party vendor has started working with Chevron on a detailed permitting plan for a pilot project and Chevron is evaluating different vendors for well technologies, power plants, and engineering firms.

Chevron applied for a GeoZone project to the Department of Energy's Bipartisan Infrastructure Law Enhanced Geothermal Systems (EGS) Demonstration grant.

Eavor Inc.

Eavor started an internal feasibility study for their GeoZone project, which includes collecting literature and well data and building a 3D geologic model. Eavor has also been on-the-ground meeting with prospective site hosts.

Eavor has also started reviewing transmission infrastructure to inform site selection and met with the California Geologic Energy Management Division (CalGEM) to review permitting requirements. Eavor has also dedicated significant resources to advocating for policy that is supportive of the GeoZone, including participating as panelists in industry conferences and meeting with the local congressional delegation in Washington D.C.

Eavor recently announced the first close of its Series B investment round—a CAD$50 million investment from OMV. In addition to raising capital, Eavor is proactively monitoring grant funding and other financing opportunities for its work in the GeoZone.

Public Engagement

Staff has selected the afternoon of September 18, 2023 for the next public engagement meeting for the GeoZone and is currently working on securing a venue in Cloverdale, which will be more convenient for those likely to be closest to GeoZone projects. Once finalized, SCP will notify everyone registered on its stakeholder roster. All input is welcome and interested parties are encouraged to e-mail GeoZone@sonomacleanpower.org to be added to the distribution list.

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. There are several important initiatives at the California Independent System Operator (CAISO) that could be impactful to GeoZone transmission planning: an updated study on the transmission constraints impacting statewide resource planning and stakeholder initiatives to enhance the interconnection and deliverability allocation process. SCP is actively engaged in each of these discussions and expects to provide comments on the types of considerations CAISO should consider reducing the risk and burden of interconnecting high-value but locationally constrained resources like those being developed in the GeoZone.

At the end of June 2023, NREL released an update to their Annual Technology Baseline (ATB) that could be very influential in the role geothermal resources play in future resource planning. NREL revised its mid estimate for the cost of near-field Enhanced Geothermal System (EGS) geothermal power, which is indicative of the development envisioned in the GeoZone from $301/MWh by 2030 to $145/MWh. Many utilities and public utility commissions (including the California Public Utilities Commission) use NREL's ATB data as the primary source for cost data in optimizing resource portfolios. The decrease in cost—which is well-justified given recent advances in the industry—will raise the profile of geothermal as a commercial source for clean firm power and make it easier to advocate for the importance of supporting it through grant funding and transmission planning.

SCP continues working on building a coalition for supporting geothermal development. In the past month, staff organized meetings with D.C. staffers for Congressman Thompson and Congressman Huffman to share the GeoZone's vision and discuss federal policy opportunities to address potential challenges with grant funding, transmission planning, and permitting. SCP also had an introductory meeting with the Clean Air Task Force, an environmental NGO that shares SCP's vision of advanced geothermal technologies providing an important tool in eliminating emissions from the power sector.

Staff Report – Item 03

To: Sonoma Clean Power Authority Board of Directors

From: Felicia Smith, Program Manager
Rebecca Simonson, Director of Programs

Issue: Approve and Delegate Authority to the CEO or his Designee to Execute First Amendment to Contract with Frontier Energy, Inc. to add $10,536 for an Amount Not-to-Exceed $150,179 through August 30, 2023, to Close Out Remaining Projects with On-Bill Financing Agreements

Date: August 3, 2023

Recommendation

Staff requests that the Sonoma Clean Power's (SCP) Board of Directors (Board) Delegate Authority to the Chief Executive Officer (CEO) to execute a first amendment to the contract with Frontier Energy, Inc. to add $10,536 to the not-to-exceed amount and extend the term through August 30, 2023. This will cover costs to assist customers and contractors in final closeout and payments of the remaining projects with 0% interest on-bill financing agreements.

Background

SCP's contract with Frontier Energy, Inc. was approved by the Board on July 1, 2022, to provide program administration of SCP's 0% interest on-bill financing program (Attachment B). The scope of work to administer 0% interest financing included: program development, project management, customer bid and agreement support, customer change order support, project completion verification, general and ongoing customer support.

Discussion

This is the first amendment to the Frontier Energy, Inc. contract (Attachment A). The amendment would increase the not-to-exceed by $10,536 bringing the total not-to-exceed contract amount to $150,179 and extend the term through August 30, 2023. This requested increase is to fund the closeout of remaining financing projects and transfer processing knowledge to SCP staff through the month of June 2023.

Community Advisory Committee Review

The Community Advisory Committee recommended that the Board of Directors approve the first amendment to the Frontier Energy agreement at their July 20, 2023, meeting.

Fiscal Impact

The proposed amendment would increase SCP's costs by $10,536 but would not require an increase to the total annual budget.

Attachments

- Attachment A - First Amendment to the Professional Services Agreement for the Sonoma Clean Power Authority with Frontier Energy, Inc. to administer and finalize the 0% interest on-bill financing program, available at this link or by request to the Clerk of the Board
- Attachment B - The Professional Services Agreement for the Sonoma Clean Power Authority with Frontier Energy, Inc. for the On-bill Finance Administrator Agreement with attached Scope of Work and Fee Schedule, available at this link or by request to the Clerk of the Board

Staff Report – Item 04

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

From: **Brant Arthur, Programs Manager**
Rebecca Simonson, Director of Programs

Issue: **Approve and Delegate Authority to the CEO or his Designee to Execute an Agreement for Professional Services with Alternative Energy Systems Consulting, Inc. through December 31, 2024, with a Not-To-Exceed Amount of $118,000 to Provide Technical Assistance for Sonoma Clean Power's Workplace Charging Research Project**

Date: **August 3, 2023**

Recommendation

Approve and delegate authority to the CEO or his Designee to execute an agreement for professional services with Alternative Energy Systems Consulting, Inc. (AESC) through August 31, 2024, with a not-to-exceed amount of $118,000 to provide technical assistance for SCP's workplace charging research project (Attachment A).

Background

On November 3, 2022, the Board of Directors received an overview of Workplace Electric Vehicle Charging Research Project Proposal and provided feedback on a research project to invite local employers to partner with SCP to provide and manage grid-enabled electric vehicle (EV) chargers at their workplaces.

The purpose of the research project is to determine how to deliver a cost-effective workplace charging program that supports grid reliability while focusing on providing access to charging for disadvantaged and low-to-moderate income (LMI) employees who may not have charging capability at home.

Workplace charging is an important tool in advancing transportation electrification and reducing greenhouse gas emissions for the following key reasons:

- Charging during the day when solar power is plentiful instead of evening or night-time hours helps support our region's climate goals, aids with grid reliability, supports the value of behind-the-meter-solar, and increases our ability to adopt more EVs;
- Charging at the workplace provides access to charging for drivers who live in apartments, condominiums, and rental housing, or otherwise aren't able to install charging infrastructure at home. This is critical to aid California's goal of phasing out the sale of gasoline-powered cars by 2035; and
- Encourages more people to make the switch to electric vehicles. Research shows that an employee with access to workplace charging is six times more likely than the average worker to drive electric[1].

The research project will help SCP test various dispatching strategies, rate structures, and hardware configurations in anticipation of eventually running a larger regional initiative. A key first step of this research project is to identify a technical expert to conduct site assessments at workplace locations in Sonoma and Mendocino Counties to determine the most suitable sites for EV charging installation.

In March 2023, SCP issued a Request for Proposals (RFP) to identify a firm best suited to conduct 4 to 10 site assessments with the goal of identifying up to 4 promising workplace locations and help put each project out to bid or select an installation contractor.

The RFP drew five responses from a variety of firms. Staff reviewed responses, created a short list for interviews, and interviewed respondents.

Discussion

Based on their RFP response and interview, AESC was selected to provide site assessments, develop recommendations, and assist in the bidding process for level 2 EV charging stations at workplace locations.

[1] U.S. Department of Energy, "Workplace Charging Challenge," January, 2017, https://www.energy.gov/sites/prod/files/2017/01/f34/WPCC_2016%20Annual%20Progress%20Report.pdf

AESC was selected based on their experience with the full journey of locating, assessing, designing, and installing workplace charging stations, plus strong recommendations from partners in previous projects.

The AESC team has over 10 years of transportation electrification engineering and consulting experience in California, including workplace charging studies, a CEC-funded Strategic Plug-in Electric Vehicle Infrastructure Plan for California, and Zero Emissions Vehicle Roadmaps for municipal utilities to assist in grid, infrastructure, and program planning.

The scope of work for the agreement to provide workplace charging technical assistance includes the commitment to:

- Coordinate with SCP outreach staff to identify eligible workplaces to evaluate (as few as 4 and up to 10).
- Assess up to 10 sites and make recommendations for containing costs while maximizing any financial incentives or tax credits (including battery storage where it supports goals).
- Design and prepare necessary documentation for up to 4 locations (determined in coordination with SCP based on Task 2) to put project out to bid or to select installation contractor.
- Support site owners in developing documentation needed for soliciting bids or selecting an installation contractor once specific installation recommendations have been provided.
- Support to the site owners, on an as needed basis, with questions such as local permitting and technical questions for understanding the bids received.
- Make SCP aware of any site visits and accommodate periodic SCP requests to observe work.

This Agreement will go through December 31, 2024.

Community Advisory Committee Review

The Community Advisory Committee recommended that the Board of Directors approve an agreement for professional services with Alternative Energy Systems Consulting, Inc. at their July 20, 2023, meeting.

Fiscal Impact

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

Attachments

- Attachment A – Agreement with Alternative Energy Systems Consulting, Inc., 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: Brytann Busick, Marketing and Events Manager
Kate Kelly, Director of Public Relations and Marketing

Issue: Approve and Delegate Authority to the CEO, or his Designee, to Execute a Contract with BlastPoint through June 30, 2024, with a Not-to-Exceed Amount of $176,000 for New Data-Driven Customer Insights

Date: August 3, 2023

Recommendation

Approve and Delegate Authority to the CEO or his Designee to execute a professional services agreement with BlastPoint for data-driven customer insight services with a not-to-exceed amount of $176,000 for a term of 1 year.

Background

BlastPoint technology empowers companies to understand customer data, predict customer behavior, and become customer-focused organizations. Their artificial intelligence (AI)-powered technology and easy-to-use, intuitive platform helps target the right customers with the right information, at the right time, using just the right channels. BlastPoint is currently working with approximately 20 utilities, providing similar services to those SCP plans to utilize to perform targeted and segmented marketing, and personalized marketing for improved customer participation.

Discussion

BlastPoint offers AI Driven Segmentation & Personas, which will help Sonoma Clean Power to understand their customers at the household level. With the BlastPoint dashboard SCP will discover behavior patterns, demographics and values so SCP can meet customers where they are with the offer, incentive, or services they need most and are most likely to respond to.

SCP can also utilize Customer Engagement Optimization to optimize channels for more effective targeting and outreach. BlastPoint's Sustainability Solutions provides solutions for smart EV planning and adoption, energy efficiency programs and technologies, and more. The BlastPoint Customer Intelligence Platform places AI-powered insights at the fingertips of business users, so companies don't have to worry about securing in-house AI talent or addressing infrastructure readiness gaps in order to utilize customer AI. BlastPoint will integrate with Sonoma Clean Power's existing systems and lead SCP through a data onboarding process.

With BlastPoint, the PR and Marketing Department will be able to conduct audience queries, cut data and mailing files in-house, employ segmented and targeted marketing, facilitate new marketing matrix campaigns, re-connect with existing customers, deepen relationships with single-service households, and potentially recapture previously opted-out accounts.

BlastPoint models are built with an emphasis on fairness and equitability. Their technology leverages data to reveal insights not only about those most likely to engage but also those most likely not to engage. This dual-spectrum approach will enable SCP to tailor our strategies to effectively reach all demographics, promoting inclusivity and broad engagement. Therefore, insights gained from the BlastPoint dashboard will allow SCP staff to better understand the needs and preferred methods of communication of hard-to-reach customers and communities disproportionately impacted by social and environmental challenges and be better able to serve them as a result.

Community Advisory Committee Review

On July 20, 2023, the Community Advisory Committee recommended that the Board of Directors approve this item.

Fiscal Impact

This agreement is for $176,000 for one year. This amount is currently included in the 2023/2024 PR & Marketing Department budget.

Attachments

- Attachment A – Professional Services Agreement with BlastPoint, 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** **Mike Koszalka, Chief Operating Officer**
Issue:	**Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate**
Date:	**August 3, 2023**

CHANGES TO ADVANCED ENERGY CENTER TECHNOLOGY INCENTIVES

SCP launched the Advanced Energy Center and associated website and technology incentives in July 2021 as part of the California Energy Commission (CEC) Lead Locally Grant. The technology incentives offered are part of a match commitment to that grant under our agreement. There is also a portion of incentives that can be claimed as reimbursables from the CEC. The funds must be expended during the term of the grant, which has been extended to March 31, 2024.

From July 2021 through July 2022, we saw only 120 projects and just over $100,000 of incentives toward the $2.6M afforded and committed under the grant.

SCP then increased our incentives levels starting August 1, 2022, to create market movement and reach our committed amounts under the grant. The incentives were increased from $1,000 to $3,000 for heat pump heating and cooling and from $700 to $3,100 for heat pump water heaters. These were in line with statewide incentives that had expired at the time. SCP also started incentivizing induction cooking by adding a $500 incentive to the free cookware already offered. For low-income customers, the incentives were set at a much higher level at 50% of the total project cost, up to $10,000.

The increased incentives have been successful. There were 120 projects completed in the first year with lower incentives compared to 744 projects in the second year with higher incentives. In June 2023 alone, SCP incentivized 182 projects. In addition to the incentives that have been issued to date, SCP has focused on serving hard-to-reach and low-income projects and has partnered with local programs and reserved almost $400,000 for multi-family affordable housing and mobile home park retrofit projects.

Because SCP's incentives are funded through rates, the agency uses them to spur action and create momentum, but avoids using them when they are not needed to minimize impacts on customer rates. Once markets take off, incentives are redirected to where they can be more valuable. Since market movement has definitely been created and SCP's budget limitation would otherwise have been exceeded, staff made the following changes.

Starting August 1, 2023, SCP incentives are:

Project Type	Prior incentive	New incentive effective: 8/1/23	Notes
Heat pump heating and cooling	$3,000	**$1,000**	Additional statewide incentives that can be stacked on SCP's incentive and tax rebates may be available.
Heat pump water heater	$3,100	**$700**	Additional statewide incentives that can be stacked on SCP's incentive and tax rebates may be available.
Induction cooking	$500	**$500**	Additional Bay Area incentive may be stacked for Sonoma County customers. Induction has not seen the rapid uptick in growth that the other technologies have, so this incentive remains the same until market movement happens.
Air to water heat pump with hot water	$6,100	**$1,700**	This incentive is the combination of the heat pump heating and cooling and heat pump water heater incentives
Fresh air heat recovery ventilators	$3,000	**$1,000**	There has only been 1 project to date

Low-income projects for all of the above	**50% of total project cost up to $10,000**	**50% of total project cost up to $10,000**	**No reduction in low-income incentives. Includes equipment, labor, ancillary equipment, upgrades, and permits**

INVESTMENTS

The goals of SCP's Investment Policy, in order of priority, are to protect SCP's cash balances, retain sufficient liquidity, and produce a return on investment to preserve value over time. Allowed investments are listed in the Local Agency Investment Guidelines issued by the California Debt and Investment Advisory Commission (CDIAC), which is included in SCP's Investment Policy (Financial Policy B.5).

SCP maintains investments with two banks and the Sonoma County Treasury Investment Pool. The bank funds are either insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized at 110% per California Government Code Section 16521. The summary below reflects year-to-date figures for the twelve months ended June 30, 2023.

Investment Summary

Twelve Months Ended June 30, 2023

Investment Type	Avg. Balance	Interest Earned	Avg. Annual Percentage Yield
Money Market (1)	$8,338,409	$228,309	2.78%
Certificate of Deposit (CD) (1)	$822,779	$44,924	5.61%
Insured Cash Sweep (ICS) (2)	$38,752,732	$784,988	2.05%
Certificate of Deposit Account Registry Service (CDARS) (2)	$20,594,081	$983,143	4.89%
Sonoma County Treasury Investment Pool (3)	$36,673,513	$615,078	1.69%
Total (4)	**$105,181,513**	**$2,656,442**	**2.56%**

Investment Location	Avg. Balance
Summit State Bank	$31,304,132
River City Bank	$37,203,868
Sonoma County Treasury Investment Pool (3)	$36,673,513
Total (4)	**$105,181,513**

(1) *Collateralized at 110% per California Government Code Section 16521*
(2) *Insured by the Federal Deposit Insurance Corporation (FDIC)*
(3) *Excludes fair market value adjustment from financial statements*
(4) *Excludes cash in non-interest-bearing accounts*

SCP/PG&E ANNUAL JOINT RATE MAILER

Attached to this report is one example of the joint-rate mailers drafted in partnership between SCP and PG&E. These were emailed and sent via USPS (to customers with no email address on file) starting on 7/28/23. The version of the joint-rate mailer sent to each customer is based on their current rate (i.e. residential, commercial, agricultural, EV, etc.). These annual reports are to provide all SCP and PG&E customers with a comparison of typical rates, charges and electric generation portfolio content.

MONTHLY COMPILED FINANCIAL STATEMENTS

The year-to-date change in net position is better than projections by approximately $13,652,000. 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 $252,527,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive $198,297,000, which indicates growth as SCP continues to make progress towards its reserve goals. Approximately $95,207,000 is set aside for operating reserves.

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 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

- Joint Rate Mailer – E-TOU-C
- May 2023 Financial Statements

UPCOMING MEETINGS

- Community Advisory Committee - August meeting – CANCELLED
- Board of Directors – September meeting – CANCELLED
- Community Advisory Committee – September 21, 2023
- Board of Directors – October 5, 2023

We support your power to choose

As part of our mutual commitment to support your energy choice, Sonoma Clean Power (SCP) and Pacific Gas and Electric Company (PG&E) have partnered to provide you with a comparison of typical residential electric rates, average monthly charges and generation portfolio contents.

If this comparison does not address your specific rate, please visit PG&E online at **pge.com/cca** or call **1-866-743-0335**. For information on SCP's generation rates, please visit **sonomacleanpower.org** or call **1-855-202-2139**.

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

Understanding your energy choice

2023 Residential Electric Rate Comparison, E-TOU-C*	PG&E	Sonoma Clean Power CleanStart	Sonoma Clean Power EverGreen
Generation Rate ($/kWh)	$0.13638	$0.13087	$0.15587
PG&E Delivery Rate ($/kWh)	$0.20672	$0.20672	$0.20672
PG&E PCIA/FF ($/kWh)	$0.01412	$0.00459	$0.00459
Total Electricity Cost ($/kWh)	$0.35722	$0.34218	$0.36718
Average Monthly Bill ($)	**$154.84**	**$148.32**	**$159.16**

*This compares electricity costs for an average residential customer in the SCP/PG&E service area (Sonoma and Mendocino counties) with an average monthly usage of 433 kilowatt-hours (kWh). This is based on a representative 12-month billing history for all customers on E-TOU-C rate schedules. Rates are effective June 01, 2023 for PG&E and February 01, 2023 for SCP.

Generation Rate is the cost of creating electricity to power your home. The generation rate varies based on your energy provider and the resources included in your energy provider's generation supply.

PG&E Delivery Rate is a charge assessed by PG&E to deliver electricity to your home. The PG&E delivery rate depends on your electricity usage, but is charged equally to both SCP and PG&E customers.

The **PCIA** is a charge to ensure that both PG&E customers and those who have left PG&E service to purchase electricity from other providers pay the above market costs for generation resources that were procured by PG&E on their behalf. "Above market" refers to expenditures for electric generation resources that cannot be fully recovered through sales of these resources at current market prices. PG&E acts as a collection agent for the **Franchise Fee (FF)** surcharge, which is levied by the California Public Utilities Commission (CPUC) on behalf of cities and counties in PG&E's service territory for all customers. PG&E bundled customers pay the PCIA and FF fees associated with the most current available vintage year. PG&E charges SCP customers the PCIA and FF fees based on the year they transitioned to SCP service. Visit sonomacleanpower.org for more information.

If this comparison does not address your specific rate, please visit PG&E online at **pge.com/cca** or call **1-866-743-0335**. For information on SCP's generation rates, please visit **sonomacleanpower.org** or call **1-855-202-2139**.

2022 Electric Power Generation Mix*	PG&E	Sonoma Clean Power CleanStart	Sonoma Clean Power EverGreen
Specific Purchases	Percent of Total Retail Sales (MWh)		
Renewable	38%	50%	100%
• Biomass & Biowaste	5%	16%	0%
• Geothermal	1%	17%	87%
• Eligible Hydroelectric	2%	0%	0%
• Solar Electric	22%	9%	14%
• Wind	9%	8%	0%
Coal	0%	0%	0%
Large Hydroelectric	8%	40%	0%
Natural Gas	5%	0%	0%
Nuclear	49%	1%	0%
Other	0%	0%	0%
Unspecified Sources of Power**	0%	9%	0%
TOTAL	**100%**	**100%**	**100%**

*As reported to the California Energy Commission's Power Source Disclosure Program. PG&E data is subject to an independent audit and verification that will not be completed until October 1, 2023. The figures above may not sum up to 100 percent due to rounding.

**Unspecified sources of power refers to electricity that is not traceable to a specific generating facility, such as electricity traded through open market transactions. Unspecified sources of power are typically a mix of all resource types, and may include renewables.

MAHER
ACCOUNTANCY

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 May 31, 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 29, 2023

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

SONOMA CLEAN POWER AUTHORITY
BUDEGTARY COMPARISON SCHEDULE - OPERATING FUND
Eleven Months Ended May 31, 2023

	2022/23 YTD Amended Budget	2022/23 YTD Actual	2022/23 YTD Amended Budget Variance (Under) Over	2022/23 YTD Actual / Amended Budget %	2022/23 Amended Budget	2022/23 Amended Budget Remaining
REVENUE AND OTHER SOURCES:						
Electricity (net of allowance) *	$ 253,973,072	$ 252,014,607	$ (1,958,465)	99%	$ 279,200,000	$ 27,185,393
Evergreen Premium (net of allowance)	2,183,792	2,455,778	271,986	112%	2,389,000	(66,778)
CEC Grant	1,192,655	285,481	(907,174)	24%	1,414,000	1,128,519
Investment income	1,298,282	2,235,031	936,749	172%	1,488,000	(747,031)
Miscellaneous Income	854,167	15,070	(839,097)	0%	1,025,000	1,009,930
Total revenue and other sources	259,501,968	257,005,967	(2,496,001)	99%	285,516,000	28,510,033
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	179,380,345	169,558,139	(9,822,206)	95%	193,510,000	23,951,861
Data management	2,451,008	2,405,240	(45,768)	98%	2,677,000	271,760
Service fees- PG&E	898,204	904,463	6,259	101%	979,000	74,537
Personnel	6,959,332	6,776,712	(182,620)	97%	7,650,000	873,288
Energy Center, marketing & communications	2,629,758	1,995,400	(634,358)	76%	2,951,000	955,600
Customer service	261,285	155,773	(105,512)	60%	291,000	135,227
General and administration	1,086,128	1,033,297	(52,831)	95%	1,190,000	156,703
Legal	379,527	273,905	(105,622)	72%	430,000	156,095
Regulatory and compliance	402,765	198,772	(203,993)	49%	460,000	261,228
Accounting	238,233	249,900	11,667	105%	258,000	8,100
Legislative	191,333	88,000	(103,333)	46%	220,000	132,000
Other consultants	652,217	347,786	(304,431)	53%	746,000	398,214
Industry memberships and dues	515,857	431,874	(83,983)	84%	560,000	128,126
Program implementation	4,677,804	2,295,294	(2,382,510)	49%	5,456,000	3,160,706
Program - CEC grant	3,596,636	1,889,384	(1,707,252)	53%	4,180,000	2,290,616
Total current expenditures	204,320,432	188,603,939	(15,716,493)	92%	221,558,000	32,954,061
OTHER USES						
Capital outlay	509,359	166,743	(342,616)	33%	600,000	433,257
Total expenditures, other uses	204,829,791	188,770,682	(16,059,109)	92%	222,158,000	33,387,318
Net increase (decrease) in available fund balance	$ 54,672,177	$ 68,235,285	$ 13,563,108		$ 63,358,000	$ (4,877,285)

** Represents sales of approximately 2,006,000 MWh for 2022/23 YTD actual.*

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

Eleven Months Ended May 31, 2023

Net increase (decrease) in available fund balance per budgetary comparison schedule:	$ 68,235,285
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(1,244,412)
Add back capital asset acquisitions	179,606
Change in net position	$ 67,170,479

See accountants' compilation report.

ACCOUNTANTS' COMPILATION REPORT

Management
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of May 31, 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 29, 2023

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

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION
As of May 31, 2023

ASSETS	
Current assets	
Cash and cash equivalents	$ 60,217,724
Accounts receivable, net of allowance	27,107,395
Other receivables	2,206,384
Accrued revenue	11,218,760
Prepaid expenses	605,477
Deposits	8,810,774
Investments	86,194,406
Total current assets	196,360,920
Noncurrent assets	
Land	860,520
Capital assets, net of depreciation	17,676,385
Deposits	846,256
Total noncurrent assets	19,383,161
Total assets	215,744,081
LIABILITIES	
Current liabilities	
Accrued cost of electricity	8,903,434
Accounts payable	962,295
Advanced from grantors	3,074,682
Other accrued liabilities	3,841,773
User taxes and energy surcharges due to other governments	664,859
Total current liabilities	17,447,043
NET POSITION	
Investment in capital assets	18,536,905
Unrestricted	179,760,133
Total net position	$ 198,297,038

See accountants' compilation report.

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Eleven Months Ended May 31, 2023

OPERATING REVENUES	
Electricity sales, net	$ 250,070,961
Evergreen electricity premium	2,455,778
Grant revenue	285,481
Total operating revenues	252,812,220
OPERATING EXPENSES	
Cost of electricity	169,558,139
Contract services	8,301,570
Staff compensation	6,776,712
Other operating expenses	1,558,431
Program rebates and incentives	2,396,224
Depreciation	1,244,412
Total operating expenses	189,835,488
Operating income (loss)	62,976,732
NONOPERATING REVENUES (EXPENSES)	
Grant revenue	1,958,716
Investment earnings (loss)	2,235,031
Nonoperating revenues (expenses), net	4,193,747
CHANGE IN NET POSITION	67,170,479
Net position at beginning of period	131,126,559
Net position at end of period	$ 198,297,038

See accountants' compilation report.

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS
Eleven Months Ended May 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 257,723,053
Receipts from grantors	3,880,224
Other operating receipts	10,367,487
Payments to electricity suppliers	(183,250,284)
Payments for other goods and services	(10,463,003)
Payments for staff compensation	(6,668,407)
Tax and surcharge payments to other governments	(3,197,305)
Payments for program rebates and incentives	(3,913,223)
Net cash provided (used) by operating activities	64,478,542
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Grant revenue	1,958,716
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments to acquire capital assets	(281,655)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income received	958,579
Purchase of certificates of deposit	(50,000,000)
Net cash provided (used) by investing activities	(49,041,421)
Net change in cash and cash equivalents	17,114,182
Cash and cash equivalents at beginning of year	43,103,542
Cash and cash equivalents at end of period	$ 60,217,724

See accountants' compilation report.

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS
(Continued)

Eleven Months Ended May 31, 2023

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

Operating income (loss)	$ 62,976,732
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	1,244,412
Revenue adjusted for provision for uncollectible accounts	3,456,879
(Increase) decrease in:	
Accounts receivable	(3,660,362)
Other receivables	(278,674)
Accrued revenue	2,213,049
Prepaid expenses	2,355,766
Deposits	(3,347,793)
Increase (decrease) in:	
Accrued cost of electricity	(6,025,764)
Accounts payable	(351,155)
Advanced from grantors	3,074,682
Accrued liabilities	200,926
User taxes due to other governments	(10,556)
Supplier security deposits	2,630,400
Net cash provided (used) by operating activities	$ 64,478,542

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Staff Report – Item 07

To:	**Sonoma Clean Power Authority Board of Directors**
From:	**Neal Reardon, Director of Regulatory Affairs** **Geof Syphers, Chief Executive Officer**
Issue:	**Receive Legislative Regulatory Updates, Provide Direction, and Approve Positions on Bills as Appropriate**
Date:	**August 3, 2023**

Requested Action

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

Regulatory Updates

North Coast Resiliency Initiative Findings Presented to Public

The California Public Utilities Commission hosted a public workshop on July 11th to introduce the findings of the North Coast Resiliency Initiative Report. This initiative began in 2021 to determine the causes of, and to craft mitigations for, electrical outages that impact customers along California's North Coast during wildfire season.

As background, during California's 2019 wildfire season, approximately 86 substations serving over 270,000 "safe-to-energize" customers within Pacific Gas and Electric's (PG&E) service territory lost their transmission source one or more times. Safe-to-energize refers to customers who are located outside of the weather conditions that triggered PG&E to de-energize portions of the electricity grid, but are served by a distant transmission line or lines that have been de-energized due to those conditions. If the grid configuration were different, these customers would remain energized. See imagine below detailing outages caused on safe-to-energize customers through indirect impacts.

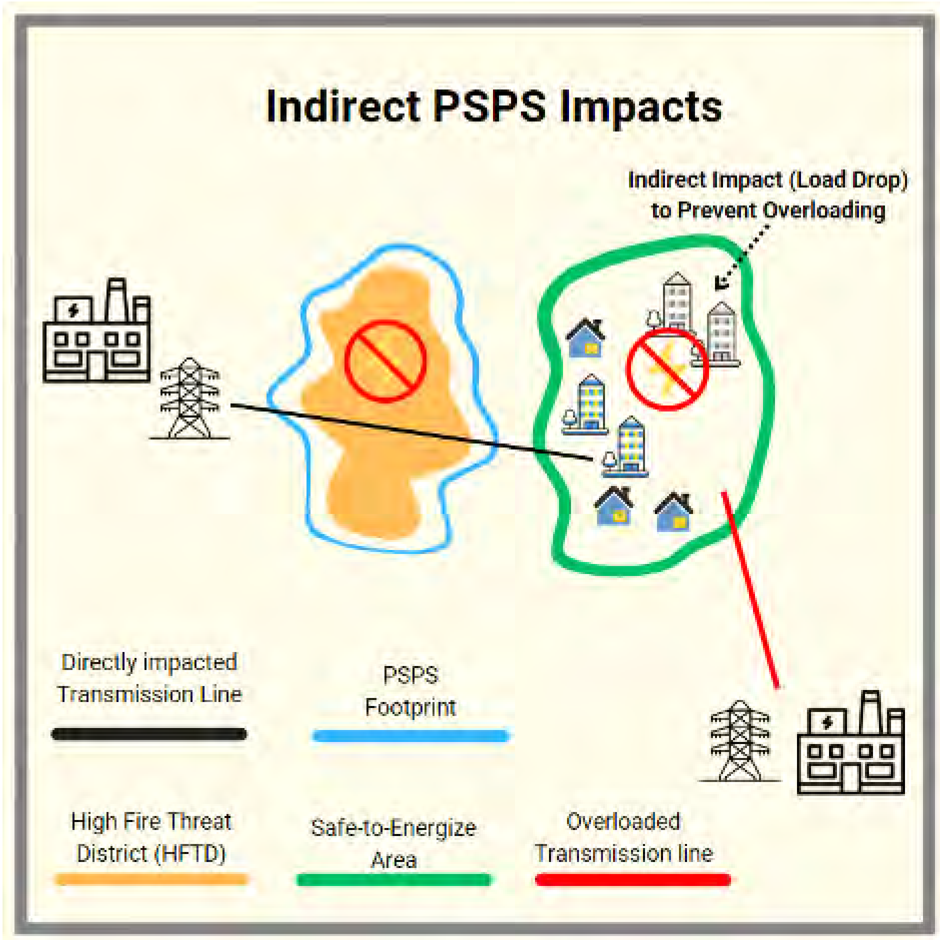

Image 5: *Simplified Diagram of an Indirect PSPS Impact. The Deenergization of the Directly Impacted Transmission Line on the Left Causes the Transmission Line on the Right to Become Overloaded, Requiring Load Drop in the Safe-to-Energize Area.*

In 2020, PG&E launched its temporary generation program to keep the lights on for these otherwise safe-to-energize customers during PSPS events. It included plans to deploy over 200 MWs of temporary diesel generators at up to 32 substations in the North Coast. PG&E also considered, but did not pursue, longer-term solutions at 17 of these 32 substations. This effort was initiated in part to identify alternatives to temporary diesel generation in the area due to concerns about local air quality and environmental impact. Along with the CPUC, representatives from the California Energy Commission, Independent System Operator, PG&E, MCE and Sonoma Clean Power formed the Steering Committee which was responsible for the majority of the initiative's work.

The goal was to identify, evaluate, and develop a plan for implementing mitigations to transmission-level Public Safety Power Shutoff (PSPS) outages affecting otherwise safe-to-energize customers. For the purposes of the initiative, the "North Coast" was defined as Marin, Sonoma, Napa, and portions of Mendocino, Lake, and Solano counties. CPUC staff determined these geographic boundaries at the beginning of the initiative, based on the locations of actual and predicted future PSPS events and on the structure of the local electrical grid.

Over the past two years, the Steering Committee met on a bi-weekly basis to share information and document progress. In the Fall of 2022, PG&E's updated PSPS modeling indicated a reduction in the number of potential future transmission-level PSPS events along the North Coast. The utility found that repairing or replacing several components on transmission lines could reduce the remaining transmission-level PSPS events even further, reducing the modeled number of regional impacts from nine to three over a 10-year period. PG&E estimated that this mitigation could be implemented before the end of 2023 at a cost of potentially less than $500,000. The Steering Committee unanimously supported PG&E making these cost-effective investments in their transmission system to improve reliability for customers in the North Coast region.

While encouraging, this solution only applies to the indirect, transmission-level PSPS outages. The prevalence of direct transmission-level PSPS outages for customers within high-fire-threat areas, as well as distribution-level outages are not reduced by the grid improvements described above.

<u>CPUC Modifies Resource Adequacy Requirements to Align Resources with Hourly Load</u>

On June 29th, the CPUC approved Decision D. 23-06-029, which addresses outstanding issues in Phase 3 of the Implementation Track within the Resource Adequacy ("RA") proceeding. Most notably, this Decision adopts the "slice of day" proposal put forth by Southern California Edison which requires load serving entities to show procurement of Resource Adequacy supply which correlates with fluctuating demand throughout the day. Historically, Resource Adequacy was based upon a single peak hour of demand. While this change will make compliance with RA requirements more complex, it also underscores the growing value of resources like geothermal that can generate energy 24 hours a day.

It also prevents Load Serving Entities which were noncompliant with year-ahead RA from expanding to serve new territory for the subsequent two years. So, a CCA that fails to meet its year-ahead requirement for Resource Adequacy (the 90% portion due on October 31st of the preceding year) would not be permitted to offer service to new communities for the next two years. However, if the CCA that fails to meet their year-ahead requirement does ultimately buy the required capacity by the month-ahead deadline they will be permitted to expand. Entities which are out of compliance with either year-ahead or month-ahead RA requirements will continue to be published on the CPUC website. Now, details about the type of deficiency, time frame, deficient amount, and collective number of violations will also be listed.

The function of PG&E as the central procurement entity for Local Resource Adequacy will continue, as will increased requirements for additional capacity in excess of expected peak need.

Legislative Update

The legislature is on recess until August 14, so there is no new activity to report. However, staff wish to thank Senator McGuire for working to sustain CCA rights to purchase and build renewable power. His pressure on leadership was critical in keeping the CPUC's policy language out of the Governor's budget that would have enabled the CPUC to order PG&E and the other investor-owned utilities to purchase any or all power on behalf of CCAs at any time with no warning. The language would have also allowed the CPUC to set CCA rates, although that provision may have been drafted by accident because of an over-broad reference to many code sections that included the power to establish rates.

While that defensive victory was won before the legislative recess began, staff expect to have to fight to continue to sustain CCA rights when the legislature reconvenes in mid-August. Staff are hopeful that a compromise is possible wherein the legislature could grant the CPUC the authority to order the central procurement of resources requiring new transmission and very long lead times, such as offshore wind and Salton Sea geothermal power, while preserving CCA rights to continue to buy and build solar, wind, geothermal, storage and other renewable and storage resources. Such a compromise would meet all of the CPUC's stated needs.

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 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 continuing 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).

- **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 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 SB 527 conditions allow a conversion 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.

Proposed New Legislative Positions

None.

Attachments

- Attachment A - Federal Register – Notice of Prelim. Permit Application

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Sonoma Clean Power

Staff Report – Item 08

To: Sonoma Clean Power Authority Board of Directors

From: Kate Kelly, Director of Public Relations and Marketing

Issue: Receive Presentation on 2023 Brand Awareness Survey Findings

Date: August 3, 2023

Recommendation

Receive a presentation on the summary of findings from 2023 Brand Awareness Survey.

Background

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

Attachments

None

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Staff Report – Item 09

To: Sonoma Clean Power Authority Board of Directors

From: Stephanie Reynolds, Director of Internal Operations
Darin Bartow, Clerk of the Board

Issue: Appoint an Ad Hoc Committee for the Community Advisory Committee Recruitment Process

Date: August 3, 2023

Requested Board Action

Appoint an Ad Hoc Committee to review applications, interview and recommend potential members for the upcoming vacancies on the Community Advisory Committee (CAC).

Background

Per the Third Amended Joint Powers Agreement, the CAC shall consist of a minimum of seven members and a maximum of eleven members. Appointees to the CAC serve four-year terms. Due to one vacancy and the terms expiring for six members in December, recruitment of potential committee members is necessary. At least 1, and up to 7, new or reappointed members will be needed at the end of this year.

Discussion

Staff recommends that the Board create an Ad Hoc Committee to evaluate applications, interview potential applicants, and to recommend appointments and/or re-appointments for consideration by the Board at the December Board meeting. Staff recommends a three-member ad hoc to minimize scheduling conflicts. Once an ad hoc committee is formed, staff will open the recruitment and support the committee's review of the applications.

Attachments

- Attachment A – 2023 Community Advisory Members and Terms

Sonoma Clean Power

Community Advisory
Committee 2023
Members and Terms

	NAME	SIGNED OATH	TERM	TERM ENDS
1.	**Dick Dowd**	**September 29, 2014**	**4-year term**	**End of 2025**
2.	**Sara Booth**	**January 20, 2022**	**4-year term**	**End of 2025**
3.	**Jeff Kelly**	**January 16, 2018**	**4-year term**	**End of 2025**
4.	**VACANT**		**4-year term**	**End of 2025**
5.	**Crispin Hollinshead**	**January 20, 2022**	**4-year term**	**End of 2023**
6.	**Anita Fenichel**	**February 16, 2016**	**4-year term**	**End of 2023**
7.	**Mike Nicholls**	**February 16, 2016**	**4-year term**	**End of 2023**
8.	**Patricia Morris, CHAIR**	**January 23, 2020**	**4-year term**	**End of 2023**
9.	**Denis Quinlan, VICE CHAIR**	**January 16, 2018**	**4-year term**	**End of 2025**
10.	**Ken Wells**	**December 16, 2015**	**4-year term**	**End of 2023**
11.	**Spencer Lipp**	**January 20, 2022**	**4-year term**	**End of 2023**

Sonoma Clean Power

Staff Report – Item 10

To: Sonoma Clean Power Authority Board of Directors

From: Deb Fudge, Chair
Lynda Hopkins, Vice Chair

Issue: Approve Salary Increases, Retirement Contribution, and Annual Contract Goals for Chief Executive Officer Syphers

Date: August 3, 2023

Requested Actions

Approve the 3.0% performance-based salary increase; approve an additional one-time 5.0% salary increase; approve retirement contributions equal to 10% of salary consistent with other SCP staff and approve the recommended annual contract goals for CEO Syphers. Salary changes would be effective September 1, 2023.

Salary Adjustment

Mr. Syphers' contract provides for a 2.0% automatic annual increase in salary and allows the Board of Directors to provide up to an additional 3.0% increase based on performance in achieving the Board's adopted goals. In addition, the Board may authorize additional one-time adjustments as appropriate. Based on SCP's exceptional performance and compensation provided to other comparable managers at similar agencies, the Board wishes to approve the full 3.0% discretionary salary adjustment and a one-time 5.0% salary adjustment. This would result in a 10% total salary adjustment for Mr. Syphers effective September 1st.

In addition, SCP recently modified its retirement matching contribution for other staff. Staff will begin receiving retirement contributions equal to 10% of their salary starting August 1, 2023. With the Board's approval of this item, this same change would apply to Mr. Syphers as well.

Recommended Goals

1. Bring a proposal before the end of 2023 to the Board to lower customer rates AND make local climate-protecting investments that have the potential to further lower customer rates further over time.
2. Transition the Advanced Energy Center into a full-service Customer Center to better serve low-income customers and renters while preserving access to the existing home electrification technologies. Find opportunities to provide related education and materials to Mendocino County customers as well.
3. Demonstrate progress toward reducing the pollution that SCP exports to poor regions of California. Specifically, show progress towards developing local geothermal capacity (e.g., with exploration well permit applications) and other prospects for reducing dependency on fossil-fueled power plants located in poor communities.
4. Show progress in designing and implementing customer programs to include BIPOC, LGBTQI+, low-income, senior and other underrepresented customers.
5. Preserve SCP's 'A' credit rating and create the opportunity for issuing debt to prepay renewable energy contracts for lowering customer rates.
6. Continue to press that all greenhouse gas emissions be reported, and that utilities not be allowed to hide emissions through "netting" or "offsets" unless there is sufficient proof that emissions were actually reduced.
7. Defend SCP's right to continue to select, contract and create high-quality jobs to build new geothermal, wind, solar and storage resources and oppose efforts to remove those rights.
8. Continue to build CalCCA's capacity to advocate in the legislature and in regulatory agencies, and to support the long-term viability of CCAs.
9. Plan budgets and rates to sustain 5% or greater customer bill savings through all of 2023 and 2024.

Attachments

None