



AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, DECEMBER 7, 2023, 9:00 A.M.

EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 54953(F), MEMBERS OF THE BOARD OF DIRECTORS MAY PARTICIPATE IN THE DECEMBER 7, 2023, MEETING AT ANY OF THE LOCATIONS SHOWN BELOW.

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

FORT BRAGG BRANCH LIBRARY, (TELECONFERENCE LOCATION)
499 E. LAUREL ST., COMMUNITY ROOM
FORT BRAGG, CA 95437

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 VIEW REMOTELY THROUGH:

Webinar link: <https://us06web.zoom.us/j/88546704126>
Telephone number: 1 (669) 444-9171
Meeting ID: 885 4670 4126

NOTICE of CHANGE: How to Submit Public Comment - Effective October 5, 2023:

Comments may be provided in person at the physical meeting locations. Comments may be submitted in writing to meetings@sonomacleanpower.org. For detailed public comment instructions, [please visit this page](#). Please note that live remote public comment will not be taken unless required by Government Code section 54953(f). If required, it will be announced by the Chair. Members of the public should attend in person or provide written comment to ensure they can provide public comment.

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. Written comments may be provided during the meeting.

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.

For further clarification on any of the items listed please contact (855) 202-2139 and staff will be available to assist.

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 November 2, 2023, Draft Board of Directors Meeting Minutes **pg. 5**
(Staff Recommendation: Approve)
2. Approve the Board of Directors Meeting Dates for the 2024 Calendar Year (Staff Recommendation: Approve) **pg. 21**

BOARD OF DIRECTORS REGULAR CALENDAR

3. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. 25**
4. Receive Legislative and Regulatory Updates and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. 37**
5. Accept the Independent Draft Report for the Financial Statements from Fiscal Years Ending June 30, 2022, and June 30, 2023 (Staff Recommendation: Approve) **pg. 43**

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, NOVEMBER 2, 2023
9:00 A.M.**

CALL TO ORDER

(9:07 a.m. - Video Time Stamp: 00:09:25)

Chair Fudge called the meeting to order.

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

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Stephanie Reynolds, Director of Internal Operations; Neal Reardon, Director of Regulatory Affairs; Erica Torgerson, Managing Director of Customer Service; Kate Kelly, Director of Public Relations & Marketing; Scott Lawrence, Commercial Accounts Manager; and Josh Nelson, Special Counsel.

BOARD OF DIRECTORS CONSENT CALENDAR

(9:12 a.m. - Video Time Stamp: 00:14:34)

1. Approve October 5, 2023, Draft Board of Directors Meeting Minutes
2. Receive Geothermal Opportunity Zone Update
3. Approve the Proposed Customer Rate Reductions which would Establish Parameters Following Changes to Distribution Utility Rates and Fees on or After January 1, 2024, and Amendments to Financial Policy B.2 to allow Local Investments with Excess Reserve Funds

Director Barnacle asked for dollar amounts in Item 3.

Public Comment: None

Motion to approve the November 2, 2023, Board of Directors Consent Calendar by Director Bagby

Second: Director Ford

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

ABSENT: Rogers

BOARD OF DIRECTORS REGULAR CALENDAR

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

(9:15 a.m. - Video Time Stamp: 00:17:34)

Kate Kelly, Director of Public Relations & Marketing, introduced Melissa King SCP's new Marketing Associate. Scott Lawrence, Commercial Accounts Manager, announced that the VCA's Animal Care Center of Sonoma County in Rohnert Park is SCP's newest EverGreen customer. Vice Chair Hopkins asked how the Board could help get the word out and Mr. Lawrence replied that staff would be working on communications and get it to the Board. Director Kelly added that the communications will be on social media and asked the Board to share SCP posts. Alternate Director Adams added that she would like to be included in any announcement regarding Rohnert Park.

Stephanie Reynolds, Director of Internal Operations, explained the Income Graduated Fixed Charge Rate. Director Barnacle asked if SCP is taking a position and Erica Torgerson, Managing Director of Customer Service, explained that this change has already been decided and will happen. Vice Chair Hopkins then asked how this happened and CEO Syphers replied that since 2020 the California Legislature has looked for ways to improve equity quickly. Director Barnacle added that the Legislature should continue to work on this issue and Vice Chair Hopkins added that CCAs should work with social justice groups to come up with alternatives.

Director Reynolds gave an Empower update and mentioned a discussion on renewable energy was held at the Willits Public Library. Director Torgerson discussed a recent Calpine Customer Service Representative survey in which SCP's Customer Service Representatives scored very highly among customers. CEO Syphers announced Director Reynolds' 10-year Anniversary.

Director Farrar-Rivas asked how Sonoma could get a Climate Corner at their library like Willits and was told staff would be in contact with her for more information.

Public Comment: None

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

(9:32 a.m. - Video Time Stamp: 00:34:15)

Neal Reardon, Director of Regulatory Affairs, discussed the CPUC's General Rate Case and stated that the CPUC would most likely decide by the end of the year.

Chair Fudge asked if this would include Diablo Canyon and Director Reardon answered that because Diablo Canyon is a special case it is not included but funded through the Legislature, he added that the large issue here was hydropower plants. Director Farrar-Rivas asked if this includes the decommissioning of Potter Valley and Director Reardon answered that it did. Director Gjerde asked if there is a conflict of interest because PG&E can choose the best benefit for their shareholders and not the ratepayers and Director Reardon answered that it seemed to be a conflict. Vice Chair Hopkins asked how the Board can advocate and Director Reardon answered that this is the proper venue, but it is a very slow process.

Director Barnacle suggested using income graduated rate lobbyists to engage in advocacy and Director Bagby requested research into where this advocacy would be applicable.

Public Comment: None

6. Approve the Net Billing Tariff

(9:55 a.m. - Video Time Stamp: 00:57:37)

Director Torgerson discussed the Net Billing Tariff and the Solar Billing Plan and stated that this discussion would return to the Board within the next 6 months to continue the discussion.

Chair Fudge asked if smart meters could deal with this change and Director Torgerson answered that yes, PG&E will share the data with SCP. Director Ford asked if Net Energy Metering (NEM) 2.0 is changing and Director Torgerson answered that it was not. Alternative Director Adams asked if rate payers knew of this deadline and Director Torgerson responded that the solar ratepayers did. Director Bagby said that this would be a good step towards knowing instant feedback. Vice Chair Hopkins asked if there was an application for this and CEO Syphers responded that this is something SCP works toward having. Director Barnacle mentioned that this could hurt rooftop solar and would like to see alternatives, but Director Ford disagreed with him because he would

like to see alternative programs to rooftop solar. Director Bagby stated that the timing of this change was terrible but necessary.

Public Comment: Ben Peters stated that he would have liked information on low-income export credits and alternatives.

Ronald Dorris comment attached.

Motion to approve the Net Billing Tariff by Director Strong

Second: Director Gjerde

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

ABSENT: Rogers

7. Consider Approving Stipends and an Approach for Encouraging Youth Members on the Community Advisory Committee

(10:58 a.m. - Video Time Stamp: 02:00:49)

CEO Syphers stated that this item was created at the Board's request for an exploration of stipends for the Community Advisory Committee (Committee). He thanked members of the Committee for their input on the item and stated that SCP staff did not have a concrete recommendation but left it up to the Board to decide.

Director Zollman thanked the Committee and the stipend policy that they recommended, and he said that a youth membership position is a great idea. Director Bagby asked for clarification on the youth membership. Director Farrar-Rivas wanted to expand the youth membership to 24 years old. Vice Chair Hopkins said she was fully supportive and wondered if there was any discussion about giving a stipend to the Board, CEO Syphers responded that the Joint Powers Agreement for SCP does not allow it.

Public Comment: None

Motion to approve a \$100 per Meeting Stipend for Members of the Community Advisory Committee, Effective Immediately with the Option to Opt-Out Confidentially, and Create a Non-Voting Youth Position on the Committee with the Upper Age Limit of that Position being 24 Years Old Appointed by the Chair of the Committee for 2 Years by Director Strong

Second: Vice Chair Hopkins

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

ABSENT: Rogers

8. Receive Nominations and Appoint Community Advisory Committee Members for the Term Beginning January 1, 2024

(11:16 a.m. - Video Time Stamp: 02:18:16)

CEO Syphers detailed recommendations from the Committee Appointment Ad Hoc.

Public Comment: Ben Peters stated that he has attended Committee meetings and would like SCP to explore changing the culture of the Committee. Liz Hagen thanked the Board for the appointment. Spencer Lipp thanked the Board for his re-appointment.

Motion to nominate and appoint Patricia Morris, Michael Nicholls, Spencer Lipp, Elizabeth Hagen, Jana Wang, Daniel Soto, and Ali Soto Anguiano to the Community Advisory Committee for the term beginning January 1, 2024, by Vice Chair Hopkins

Second: Alternate Director Adams

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

ABSENT: Rogers

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

(11:33 a.m. - Video Time Stamp: 02:35:34)

Director Zollman stated he would be interested in knowing how the Committee comes to their decisions regarding rates. Director Farrar-Rivas mentioned that she had attended an aging and disabilities seminar, that the City of Sonoma would be adopting their general plan, and that she attended the mayor's climate meeting. Director Barnacle mentioned the heat pump water heater rebate program. Chair Fudge mentioned that the Windsor Wastewater Treatment plant would be net-zero. Director Strong thank SCP for the Climate Corner meeting at the Willits Library.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(11:39 a.m. - Video Time Stamp: 02:41:54)

Public Comment: Kimberly Burr discussed biomass. Janis Watkins, Michael Heffler, and Larry Hanson all submitted written comments which are attached to these minutes.

CLOSED SESSION

(11:46 a.m. - Video Time Stamp: 02:48:44)

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

9. Conference With Real Property Negotiators - Property: 421 E St., Santa Rosa, Agency Negotiators: Geof Syphers, Michael Koszalka, Stephanie Reynolds; Negotiating Parties: Kevin Foster and Hope Moffett; Under Negotiation: Price and Terms of Payment

No reportable action. Direction was given to counsel and staff.

ADJOURN

(11:46 a.m. - Video Time Stamp: 02:48:44)

The meeting was adjourned to Closed Session by unanimous consent.

There was an article in the Press Democrat today, written by, I believe, a former mayor in Silicone Valley about PG&E. It speaks of 50,000,000.00 dollar Patty's annual pay, the embarrassing & infuriating ads PG&E spends so much money on, bonuses that were paid after the fires even though the penalties were so very high, grandiose projections of how many thousands of miles of conductors will be undergrounded (which they are woefully behind upon already), and, the over 100 people who were killed, the thousands of homes and businesses and more that were lost, and it just goes on and on and on.

I do not profess to be in any way, shape, or form, knowledgeable about all of the nuances of NEM-3. And, I do not, for one minute, believe that anybody, but those pesky rate payers, will pay for the death, destruction, the highest paid CEO in a FOR PROFIT utility, the media ad campaigns, no matter what is condescendingly spewed upon the public. Fun fact, did you know that there are people from the 2017 fires that have not been made whole yet? They might have received a little bit from some of their settlement due to the stock they received from the very company that burnt their home down. I read there was or is going to be dividends paid to shareholders. How can this possibly make any sense and have any ethics & morality attached to it when these people have been held hostage, for 6 years, this month?

Then, we come to this matter at hand. The FOR PROFIT utilities, as we all know, have had and continue to have a sustained effort to destroy the solar and wind energy industries & to raise rates, incessantly, from any angle they can think of. The PUC [Perpetually Upcharging Cohorts {As in accomplices: "one associated with another in wrong doing" – Merriam-Webster-}] trots alongside the IOU's, like the good lapdogs they are. How else can one look at them in any other way, when the utility that went into bankruptcy, because of their bankrupt morality, hasn't made the very people who were dependent upon them for their safety from the electrical grid, financially whole 6 years later for their criminal behavior when it comes to sustained, highest level maintenance of the gas pipelines and electric lines, pay their CEO over 500 times more than their entry level employees, spend money on a ridiculous media campaign, and recently offered them the riches NEM-3 will provide. They were trained well. A previous CEO of PG&E and the head of the PUC

vacationed together. People got fired, fines were paid, blah, blah, blah. None of them were hurt financially at all.

Sonoma Clean Power, as I understood it, came about to combat the IOU in our realm or at the very least, find a way to offer clean energy and other incentives, to not only contribute toward a lessening of the negative effects on the climate from conventional sources of power, but to aid their customers financially as well. And has done so. There is the clean energy, the incentives for electric vehicles, the inductive cooking, the awesome program to make SGIP work not only for the customers but for every single solar and storage contractor, regardless if it was even a one-person company, and more. Mission accomplished it appears to me. Job well done.

So, after all this diatribe from me, all I'm asking is, please, take a breath, don't vote on Nem-3 decision, explore for more options, and continue to help an industry, that has been so negatively impacted by the NEM-3 decision, and all who are employed within it.

Ronald D. Dorris, President
ON TIME SERVICES CO

Ben Peters

Dear SCP Board Members and Staff:

Please consider delaying approval of Item 6. on the SCP Agenda.

Consider speaking with your local solar installer(s) about this topic, you have plenty of time - this decision does not need to be made this week. You have met your reserve targets and the fiscal impact of delay will be insignificant, relative to the benefits and value of a thorough and thoughtful review of ways to make the PG&E's Net Billing Tariff better for our community.

- As you may remember, approval of the Net Billing Tariff was the a [controversial decision](#) at the CPUC and is very unpopular, with [many rallies](#) where local solar advocates and homeowners showed up to demonstrate that jobs would be lost if the drastic cuts to exports were made without a glide path, and after its approval - **according to the state trade association, sales are down 80%!**

Importantly - the staff report does not mention the Fixed Charge - which will be another huge factor hurting the economics and viability of rooftop and small scale solar, still a badly needed solution for SCP and our grid.

SCP Approval of PG&E's Net Billing Tariff + Fixed Charges = Lost Jobs and a weaker local economy.

It would be informative to understand recent trends in permit data in SCP territory, and hear from local solar companies about how revisions to the NBT can be made which will maintain a healthy economy.

Here is one example modification: "*Staff recommends that SCP follow PG&E's approach to export compensation using the hourly Avoided Cost Calculator (ACC) values....*"

- **What would be the impact of expanding the "Energy Export Bonus Credit" (on page 77) to all customers, beyond low income?** Would that simple policy change dramatically impact our reserve funds or revenues? Would that change actually encourage more solar + battery adoption? How many more installations (and Jobs) would occur?

One of the most important sections in the Staff Report is the Fiscal Impact - which states "...The financial impact of SBP in its inaugural year will be nominal..." *

If Sonoma Clean Power has healthy reserves, and will not experience significant fiscal impacts/benefits from this decision - why not defer approval until there is sufficient time to hear from our local solar companies about ways changes to the NBT can be incorporated.

[People are still calling the CPUC to complain](#) the decision about and advocate for a reversal, which was made in December of last year. That is how bad things have gotten.

Yes - SCP needs to transition away from NEM 2.0, but there were proposals at the CPUC that would have limited the significant impact we are seeing on the ground today. Let's make this transition after we have a full perspective of our options.

Yes - in theory this new policy encourage batteries, and indeed most systems being sold today are with batteries, but the real world impact is that much fewer solar + battery projects are being sold, the changes to the export values are too drastic, the economics of batteries are still cost prohibitive

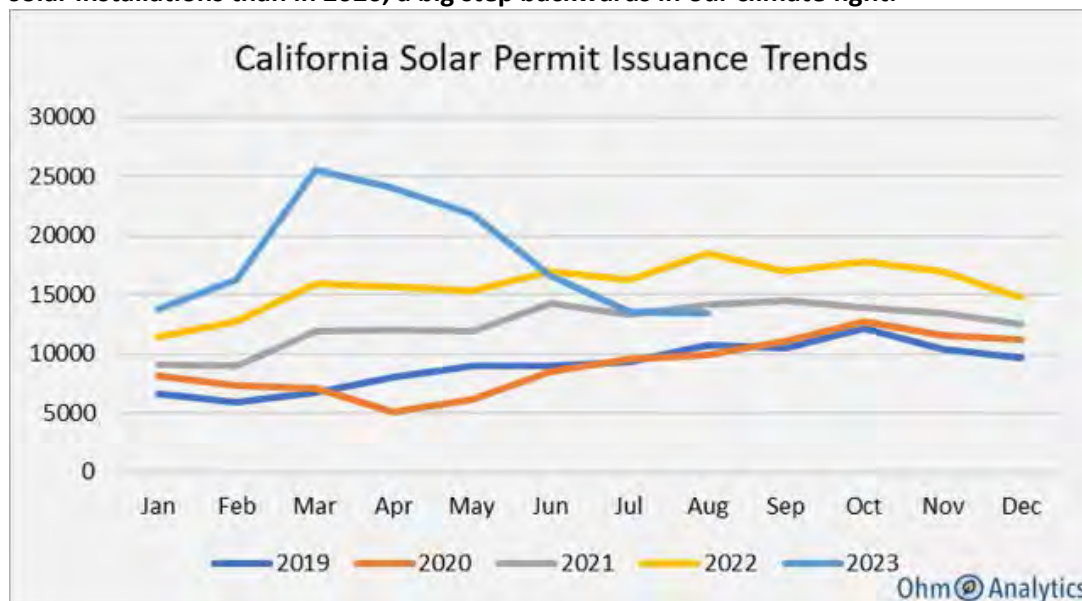
Yes - this NBT tariff is identical to PG&E's - Hasnt SCP always prided itself on being better than PG&E? The staff reports makes many of the same talking points and we should be very confident it is in our interest to be 100% aligned with PG&E on this topic before voting on such an important matter.

PG&E was widely critized for what many consider a "Profit Grab*" with this decision and we should be cognizent if we are aliging SCPs interests with PG&Es at the expense of our local solar jobs. [*<https://www.savecaliforniasolar.org/>]

How many other CCAs have adoped NBT? What was their experience, and what changes did they suggest? Have we considered all of the alternatives available?

Did we engage enough of our stakeholders on this issue? What more are we doing to create and support our local jobs and economy?

Statewide permit data shows a significant drop in permits, forecasts suggest we are on track to do less solar installations than in 2020, a big step backwards in our climate fight.



* **Page 77 Fiscal Impact:** The financial impact of SBP in its inaugural year will be nominal for SCP as only applications for interconnection completed after April 15, 2023, temporary NEM 2.0 customers, and expiring NEM 1.0 customers will be placed on the Solar Billing Plan. Future fiscal impact will depend on the number of new solar customers but will be lower than customers on NetGreen 2.0.

Dear SCP Board Members and Staff:

I believe this vote already took place, but I wanted to reiterate how impactful the NBT has been on our sales. We have seen almost dramatically reduced interest in solar the last 6 months, and our sales stream is down to a trickle.

You have met your reserve targets and the fiscal impact of delay will be insignificant, relative to the benefits and value of a thorough and thoughtful review of ways to make the PG&E's Net Billing Tariff better for our community.

- As you may remember, approval of the Net Billing Tariff was the a [controversial decision](#) at the CPUC and is very unpopular, with [many rallies](#) where local solar advocates and homeowners showed up to demonstrate that jobs would be lost if the drastic cuts to exports were made without a glide path, and after its approval - **according to the state trade association, sales are down 80%!**

Importantly - the staff report does not mention the Fixed Charge - which will be another huge factor hurting the economics and viability of rooftop and small scale solar, still a badly needed solution for SCP and our grid.

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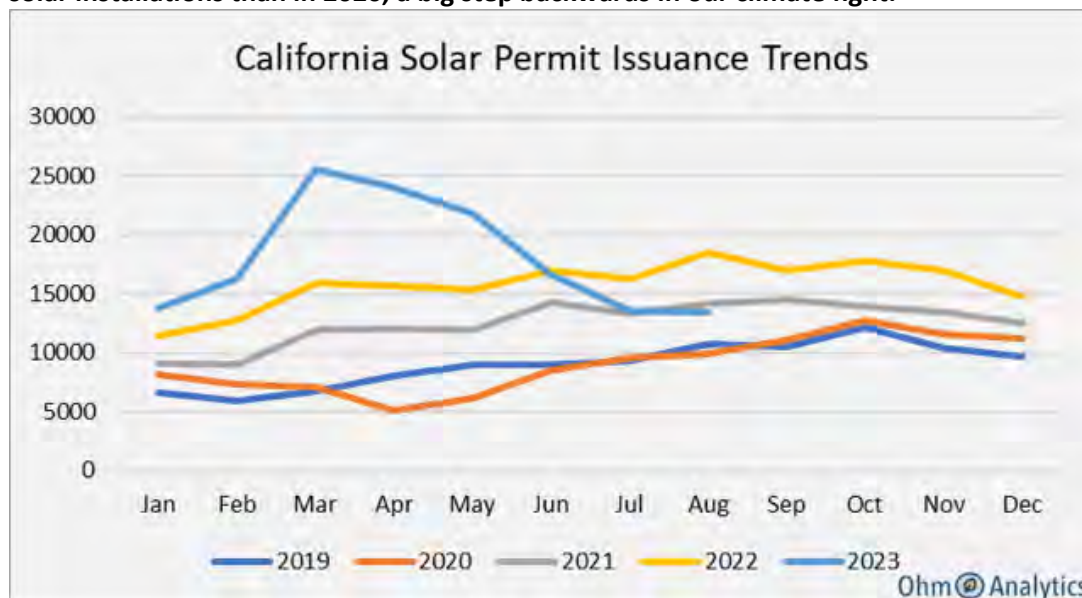
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Regards,

William Schock
VP Sales and Operations

Dear board members,

These eminent environmental nonprofits sent a letter on September 15, 2023 to the state regarding forests and climate change. Please take a look at the YELLOW highlighted portions **asking for an end to subsidies for woody biomass energy**. Woody biomass energy is falsely deemed carbon neutral. The letter exposes the folly of heavily subsidizing dirty biomass in a warming world.

It appears SCP may be transitioning away from this power source. Thank you for that. I hope you will consider sharing this point of view with others – especially with state legislators and staff.

Janis Watkins

To: Sonoma Clean Power Board of Directors, Geof Syphers CEO, Stephanie Reynolds and Michael Koszalka,

Re: SCP Board meeting, 10/5/23; Consent Calendar items # 5, SCP's Energy Sources.

Dear Sonoma Clean Power Board of Directors

I have been an SPC user for over two decades. But today I am concerned about the direction you going.

I have worked on forestry issues for three decades now with multiple environmental organizations and understand the health of forests v. narratives that undermine their health usually due to economic opportunities. One false narrative is about the method of thinning far away from homes and communities to reduce catastrophic wildfires. Not only is most of this a waste of tax dollars but could cause the unintended consequences of increasing catastrophic wildfires by allowing the wind to move through, reducing moisture contents, allowing more sun to dry out forest understories, and making way for flammable vegetation to grow.

I talk about this because this is the source of the vegetation for this kind of biomass energy generation. You might see all kinds of charts and graphs but the simple equation of carbon creation and carbon loss cannot be hidden. For carbon loss, there is the vegetation removed that can no longer sequester carbon. For carbon creation, there is the removal activity, the transportation, and the processing that can be compared to burning coal for its CO2 emissions.

There is a particular danger to getting an industry started, especially one that has a dubious sustainable benefit. It is that industries need to grow to be profitable. They will need more and more vegetative matter to feed it. In addition, it is my understanding that the pellet stove part of the industry is interested. Stove pellets need a combination of small vegetation along with larger fiber that come from trees and not brush, vines, and saplings.

My concern is a combination of astonishment and fear. SCP has increased its mix for 2022 to include biomass/biowaste at 16.4%. I am astonished at what SCP has decided is "clean power" and fear how this decision will impact forests that otherwise would and should be a great asset for climate mitigation.

Please reconsider the utilization of biomass as clean power. With due consideration and research, I hope you will curtail and phase out the biomass power that comes from forest vegetation.

Thank you.

Larry Hanson

cc: Community Advisory Committee (CAC)

I'd be interested in finding out if you have looked into floating solar panels on the reservoirs that don't have recreational uses.

There is a large pilot in the Turlock water district where they are constructing solar panels over the aqueducts.

I'm curious if floating panels have been considered and if so what is the current thinking?

Regards,

Michael Heffler
SCP Evergreen customer

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Staff Report - Item 02

To: Sonoma Clean Power Authority Board of Directors
From: Stephanie Reynolds, Director of Internal Operations
Issue: Approve the Board of Directors Meeting Dates for the 2024 Calendar Year
Date: December 7, 2023

Recommendation

Approve the Board of Directors Meeting Dates for the 2024 Calendar Year.

Background

Section 54954(a) of the California Government Code states that legislative bodies shall provide, by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body, the time and place for holding regular meetings. The Board of Directors adopted Resolution No. 2022-02 on July 7, 2022, establishing a time and place for regular meetings of the Board of Directors. While the September meeting has been cancelled in years past, due to a heavy legislative schedule, the date is set as a placeholder.

Discussion

The proposed schedule, included as an attachment, would largely maintain the regular meeting schedule established by the Board.

Attachments

- SCP Resolution No. 2022-02
- Proposed 2024 SCPA Board of Directors Meeting Schedule

RESOLUTION NO. 2022 - 02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA CLEAN POWER AUTHORITY SETTING A TIME AND PLACE FOR REGULAR MEETINGS

WHEREAS, section 54954(a) of the California Government Code states that legislative bodies shall provide, by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body, the time and place for holding regular meetings; and

WHEREAS, Section 4.8 of the Third Amended and Restated Joint Powers Agreement Relating to and Creating the Sonoma Clean Power Authority dated October 13, 2016 provides that the date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board of Directors; and

WHEREAS, the Board of Directors did duly pass and adopt Resolution Nos. 2018-03 and 2021-07, which established the time and place for regular meetings of the Board of Directors at the Sonoma Clean Power Authority; and

WHEREAS, the Board of Directors now wishes to amend the time of its regular meetings so that they will be held on the first Thursday of each month at 9:00 a.m. at the Sonoma Clean Power Authority Headquarters.

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

- Section 1. That the foregoing recitals are true and correct and a substantive part of this Resolution.
- Section 2. Commencing in August 1, 2022, the date, hour, and place for regular meetings of the Board of Directors as follows:
 - Date & Hour: First Thursday of each month at 9:00 AM.
 - Place: Sonoma Clean Power Headquarters, 431 E Street, Santa Rosa CA, 95404
- Section 3. That Resolution No. 2021-07 is hereby repealed in its entirety.
- Section 4. That the provisions of this Resolution shall become effective upon adoption.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

DULY ADOPTED this 7th day of July 2022

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

In alphabetical order by jurisdiction



David King, Chair, Sonoma Clean Power

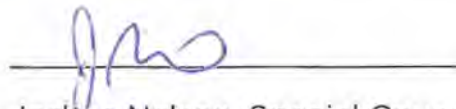
Authority

Attest:



Darin Bartow, Clerk of the Board

APPROVED AS TO FORM:



Joshua Nelson, Special Counsel,
Sonoma Clean Power Authority



**Sonoma Clean Power Authority
Board of Directors
Schedule of Meetings
January - December 2024
9:00 a.m. - 12:00p.m.**

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

January 4, 2024

February 1, 2024

March 7, 2024

April 4, 2024

May 2, 2024

June 6, 2024

July 11, 2024 (2nd Thursday Due to the Holiday)

August 1, 2024

September 5, 2024 (Tentative)

October 3, 2024

November 7, 2024

December 5, 2024



Staff Report - Item 03

To: Sonoma Clean Power Authority Board of Directors

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

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

Date: December 7, 2023

GEOZONE

For the month of December, there are no GeoZone updates.

TRANSITIONING OUR COMMITMENT TO BATTERY STORAGE AND RESILIENCY

As of November 30, 2023, SCP is no longer accepting new Self-Generation Incentive Program (SGIP) Assistance battery storage applications. We will continue to support applications received by that date. Staff provided notification of the program change through our website and informed participating installers 30 days beforehand. It is important to note the SGIP program from PG&E still exists, it no longer needs SCP assistance to move the market.

The SCP program was initiated in 2020 to aid customers eligible for the statewide SGIP battery storage program. Initially, it aimed to address the extended time PG&E took to provide incentives, which acted as a barrier to program participation. SCP provided financial assistance to submit the SGIP application and aimed to provide rebate checks to the customer faster than PG&E, thus minimizing the waiting period for customers. SCP was later reimbursed by PG&E for the approved incentive amount. As delays in PG&E's rebate issuance are no longer a significant obstacle, SCP is now redirecting its support to more effective areas.

Over the last three and a half years, we've assisted more than 150 SCP customers in joining SGIP for battery storage, driving market transformation. As we conclude the program, SCP is committed to exploring new avenues to bolster battery storage and resiliency within our service area.

COMMUNITY NEEDS ASSESSMENT PROGRESS UPDATES

Agricultural Customer Needs

Staff are currently reviewing a draft report summarizing market segment profiles, customer insights gathered from interviews and surveys, and recommendations for programs and strategies. The final report will be shared with the Community Advisory Committee and the Board of Directors once it is finalized and will be made available on the SCP website.

Residential Energy and Resiliency Needs

SCP has received a substantial response to the Residential Energy and Resiliency Needs Survey, with 400 participating in our online survey. The survey was provided in both English and Spanish. To ensure inclusivity and accessibility, we are actively working on collaborating with local community organizations to gather input from those without convenient internet access. SCP will share results from the survey in a presentation of findings and recommendations provided to the Community Advisory Committee and the Board of Directors in 2024.

Transportation and Mobility Needs

To address transportation challenges, we have held one of three planned focus group discussions in collaboration with NAACP Santa Rosa – Sonoma County and the North Bay Electric Auto Association. We recently began rolling out an online survey to provide an opportunity for a broader spectrum of our customers to contribute their thoughts and concerns. SCP will share themes and findings from the focus groups in a presentation to the Community Advisory Committee and the Board of Directors in 2024.

For more details on our Community Needs Assessments, please visit www.sonomacleanpower.org/strategic-action-plan.

MONTHLY COMPILED FINANCIAL STATEMENTS THROUGH SEPTEMBER 30, 2023

The year-to-date change in net position is above projections by approximately \$11,415,000. Year-to-date revenue from electricity sales is under budget by less approximately 2% and cost of energy is under budget projections by approximately 18%. Year-to-date electricity sales reached \$77,246,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$220,349,000, which indicates healthy growth as SCP continues to make progress towards its reserve goals. Approximately \$95,207,000 is set aside for operating reserves.

Other operating expenses continued near or slightly below planned levels for the year.

BUDGETARY COMPARISON SCHEDULE THROUGH SEPTEMBER 30, 2023

The accompanying budgetary comparison includes the 2023/24 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, 2023/24 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 approximately 2% at the end of the reporting period.

The cost of electricity is less than the budget-to-date by approximately 18%. 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

- September 2023 Financial Statements

UPCOMING MEETINGS

- Community Advisory Committee - December 21, 2023
- Board of Directors - TBD, January 2024



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Sonoma Clean Power Authority

Management is responsible for the accompanying Budgetary Comparison Schedule for the Operating Fund of Sonoma Clean Power Authority (a California Joint Powers Authority) for the period ended September 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
October 25, 2023

SONOMA CLEAN POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND
Three Months Ended September 30, 2023

	2023/24 YTD Budget	2023/24 YTD Actual	2023/24 YTD Budget Variance (Under) Over	2023/24 YTD Actual / Budget %	2023/24 Budget	2023/24 Budget Remaining
REVENUE AND OTHER SOURCES:						
Electricity (net of allowance) *	\$ 78,091,959	\$ 76,609,388	\$ (1,482,571)	98%	\$ 243,952,000	\$ 167,342,612
Evergreen Premium (net of allowance)	743,705	636,374	(107,331)	86%	2,689,000	2,052,626
CEC Grant	375,000	-	(375,000)	0%	470,000	470,000
Investment returns	750,000	1,393,658	643,658	186%	3,540,000	2,146,342
Miscellaneous Income	514,418	80,195	(434,223)	0%	2,058,000	1,977,805
Total revenue and other sources	80,475,082	78,719,615	(1,755,467)	98%	252,709,000	173,989,385
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	64,837,184	52,978,189	(11,858,995)	82%	193,762,000	140,783,811
Data management	670,000	648,724	(21,276)	97%	2,680,000	2,031,276
Service fees- PG&E	247,500	250,520	3,020	101%	990,000	739,480
Personnel	2,022,000	1,873,757	(148,243)	93%	8,346,000	6,472,243
Energy Center, marketing & communications	766,645	549,247	(217,398)	72%	3,061,000	2,511,753
Customer service	126,500	45,817	(80,683)	36%	220,000	174,183
General and administration	331,307	356,966	25,659	108%	1,360,000	1,003,034
Legal	118,750	35,821	(82,929)	30%	475,000	439,179
Regulatory and compliance	115,000	97,723	(17,277)	85%	460,000	362,277
Accounting	64,420	73,380	8,960	114%	309,000	235,620
Legislative	55,000	24,000	(31,000)	44%	220,000	196,000
Other consultants	153,050	17,299	(135,751)	11%	624,000	606,701
Industry memberships and dues	219,950	157,517	(62,433)	72%	695,000	537,483
Program implementation	1,416,018	717,602	(698,416)	51%	8,101,000	7,383,398
Program - CEC grant	840,000	1,056,102	216,102	126%	1,712,000	655,898
Total current expenditures	71,983,324	58,882,664	(13,100,660)	82%	223,015,000	164,132,336
OTHER USES						
Capital outlay	150,000	80,270	(69,730)	54%	600,000	519,730
Total expenditures, other uses	72,133,324	58,962,934	(13,170,390)	82%	223,615,000	164,652,066
Net increase (decrease) in available fund balance	\$ 8,341,758	\$ 19,756,681	\$ 11,414,923		\$ 29,094,000	\$ 9,337,319
<i>* Represents sales of approximately 517,000 MWh for 2023/24 YTD actual.</i>						
RESERVES						
Operating Reserve (as of June 30, 2022)	\$ 95,207,000	\$ 171,080,000	\$ 56%			

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

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 19,756,681
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(348,251)
Add back capital asset acquisitions	<u>80,270</u>
Change in net position	<u><u>\$ 19,488,700</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 September 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
October 25, 2023

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of September 30, 2023

ASSETS

Current assets

Cash and cash equivalents	\$ 55,340,985
Accounts receivable, net of allowance	27,531,673
Other receivables	1,812,907
Accrued revenue	13,127,889
Prepaid expenses	1,304,487
Deposits	8,813,374
Investments	115,516,979
Total current assets	223,448,294

Noncurrent assets

Other receivables	1,130,913
Land	860,520
Capital assets, net of depreciation	17,261,575
Deposits	846,256
Total noncurrent assets	20,099,264
Total assets	243,547,558

LIABILITIES

Current liabilities

Accrued cost of electricity	14,823,346
Accounts payable	1,101,059
Advanced from grantors	2,994,487
Supplier security deposits	279,000
Other accrued liabilities	996,429
User taxes and energy surcharges due to other governments	799,571
Total current liabilities	20,993,892

Noncurrent liabilities

Supplier security deposits	2,205,121
Total liabilities	23,199,013

NET POSITION

Investment in capital assets	18,071,680
Unrestricted	202,276,865
Total net position	\$ 220,348,545

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

OPERATING REVENUES

Electricity sales, net	\$ 76,609,388
Evergreen electricity premium	636,374
Grant revenue	80,195
Total operating revenues	<u>77,325,957</u>

OPERATING EXPENSES

Cost of electricity	52,978,189
Contract services	2,014,568
Staff compensation	1,873,757
Other operating expenses	629,502
Program rebates and incentives	1,386,648
Depreciation	348,251
Total operating expenses	<u>59,230,915</u>
Operating income	<u>18,095,042</u>

NONOPERATING REVENUES (EXPENSES)

Interest and investment returns	1,393,658
Nonoperating revenues (expenses), net	<u>1,393,658</u>

CHANGE IN NET POSITION

	19,488,700
Net position at beginning of year	<u>200,859,845</u>
Net position at end of period	<u>\$ 220,348,545</u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS Three Months Ended September 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 75,302,806
Other operating receipts	355,764
Payments to electricity suppliers	(50,775,090)
Payments for other goods and services	(2,808,771)
Payments of staff compensation	(1,879,028)
Tax and surcharge payments to other governments	(858,469)
Payments for program rebates and incentives	<u>(1,730,441)</u>
Net cash provided (used) by operating activities	<u>17,606,771</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(33,195)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	1,316,623
Proceeds from certificates of deposit matured	25,000,000
Purchase of investments	<u>(54,000,000)</u>
Net cash provided (used) by investing activities	<u>(27,683,377)</u>

Net change in cash and cash equivalents	(10,109,801)
Cash and cash equivalents at beginning of year	<u>65,450,786</u>
Cash and cash equivalents at end of period	<u>\$ 55,340,985</u>

SUPPLEMENTAL CASH FLOW INFORMATION

Capital acquisitions included in accounts payable and other liabilities	\$ 50,415
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SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS

(Continued)

Three Months Ended September 30, 2023

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

Operating income (loss)	\$ 18,095,042
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	348,251
(Increase) decrease in:	
Accounts receivable, net	(2,363,163)
Other receivables	(5,600)
Accrued revenue	(518,054)
Prepaid expenses	169,320
Deposits	(24,317)
Increase (decrease) in:	
Accrued cost of electricity	(888,745)
Accounts payable	42,122
Advanced from grantors	(80,195)
Accrued liabilities	2,811,118
User taxes due to other governments	79,792
Supplier security deposits	(58,800)
Net cash provided (used) by operating activities	<u>\$ 17,606,771</u>

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Staff Report - Item 04

To: Sonoma Clean Power Authority Board of Directors

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

Issue: Receive Legislative and Regulatory Updates and Provide Direction as Appropriate

Date: December 7, 2023

Requested Action

Receive legislative and regulatory updates and provide direction as appropriate.

Regulatory Updates

SCP and PG&E Partner on First 100% Renewable Remote Grid in SCP Territory

On November 6th, representatives from SCP, PG&E, the California Public Utilities Commission, and Pepperwood Foundation gathered with regional, tribal, state, and federal stakeholders at Pepperwood Preserve in Sonoma County to commemorate the first 100% renewable remote grid deployed to reduce PG&E's wildfire risk. This project was the culmination of direction provided by SCP's Board of Directors on January 7, 2021, for staff to evaluate the use of remote microgrids within SCP's territory to reduce risk, enhance reliability, and support climate goals.

As background, this Board delegated authority to the CEO working with SCP's Special Counsel to negotiate with PG&E and authorize limited pilot use of microgrids subject to specific limitations:

- Limit this approval to a small pilot study where the total average load removed from SCP's service territory is less than 100 kW.
- Require PG&E to materially involve SCP in early communications directly with the affected customers to allow SCP to understand their needs, to inform the customers

of opportunities to finance and use clean power sources if they choose to own the microgrid.

- Establish that this approval in no way establishes precedents for future policies, regulations, fees, tariffs, changes to SCP's eligible service territory or customers, changes in SCP's right or obligation to serve customers, or any other related matter.

Remote microgrids are suited to small-scale customer sites located in extremely expensive or high fire threat sections of distribution circuits. PG&E has begun to evaluate non-traditional options in these areas in lieu of simply replacing all distribution lines. SCP staff support evaluating all approaches – including novel ones that have not yet been widely used – to provide safe access to services customers prioritize. At the top of PG&E's list is the avoidance of rebuilding such expensive or risky distribution lines that have been destroyed in a fire, and particularly in places where the circuit segment in question serves only a very few customers.

SCP's CEO developed an energy-efficiency retrofit plan for the Pepperwood site. This identified a portfolio of measures ranging from increased insulation to super-efficient heating and cooling systems. Increased efficiency reduced the winter load of the site by 50% during months of low solar output. In addition, this plan identified the opportunity for a dedicated circuit to keep Pepperwood's server online 24/7. This comprehensive approach allowed for the use of 100% renewable energy and obviated the need for the propane backup system originally designed by PG&E. Pepperwood's bill will not be impacted by the deployment of this system, they will continue to pay monthly distribution rates to PG&E and generation rates to SCP.

PG&E intends to continue to deploy remote grid systems – some renewable and some fossil-fueled – throughout their territory in the coming years and is actively evaluating multiple potential sites. Pepperwood is the fifth remote microgrid site developed by the utility since gaining approval for this program in 2021.

California Public Utilities Commission (CPUC) Issues Proposed Decision Conditionally Approving Extension of Diablo Canyon Nuclear Plant Operations

Following direction provided by SB 846, the CPUC proposes to authorize extended operation at Diablo Canyon Power Plant (DCPP) until October 31st, 2029 (Unit 1) and October 31st, 2030 (Unit 2). These units were originally scheduled to be taken out of service in November of 2024 and August of 2025, respectively. SB 846 also sets forth conditions which, if met, either through a determination by the CPUC or through triggering events outside this proceeding, would allow or require the establishment of earlier retirement dates.

Approval of this proposal is conditioned upon the United States Nuclear Regulatory Commission (NRC) continuing to authorize DCPD operations, the \$1.4 billion loan agreement authorized in SB 846 remaining in place, and the Commission not finding continued operations to be either imprudent or unreasonable. The rationale for the extension is based on CPUC analysis finding that there are insufficient resources in the current electric generation portfolio to serve as adequate substitutes for DCPD in maintaining reliability.

The physical operations of the nuclear plant will continue unmodified. However, the cost to operate will be allocated across all three investor-owned-utility territories. The Resource Adequacy provided by Diablo's capacity will be allocated to all load serving entities - including CCAs - whose customers pay for the continued operation. The greenhouse-gas-free nature of the energy itself, however, will be available for voluntary allocation to load serving entities which elect to take it. SCP customers will likely see net savings from the reduced need to purchase Resource Adequacy by SCP's procurement team.

PG&E Rate Increase

A large increase in PG&E's electric distribution costs will go into effect January 1 due to approval of their General Rate Case. Further increases in PG&E's charges are expected later in 2024, and a ratepayer explanation of the changes is attached to this report, provided by CalCCA.

Legislative Update

Cecilia Aguiar Curry was appointed Majority Leader and Jim Wood announced he plans to retire.

Staff expect to see follow-up bills to refine the Income Graduated Fixed Charge, perhaps a delay in implementation and public hearings. Since these discussions are occurring among Republicans and Democrats, it seems likely some form of legislation will be introduced.

The Legislative Accountants Office recently forecast a large \$58 billion deficit in 2024, so budget issues will also likely feature in early legislative decisions.

Attachments

- September PG&E Rates FAQ

FAQ: PG&E General Rate Case (GRC) 2023-2026

1. What is a General Rate Case?

A General Rate Case, or GRC, is a review that investor-owned utilities (IOUs) regulated by the California Public Utilities Commission (CPUC) undergo every four years. During this review, utilities present a four-year budget so they can obtain the revenue they need to provide for both their operating costs and their profits through the rates they charge customers.

2. When was PG&E's GRC approved?

The CPUC approved PG&E's budget for 2023-2026 on November 16, 2023.

3. What is PG&E's approved budget?

PG&E's approved budget for 2023 is \$13.5 billion, up from the 2022 authorized amount of \$12.2 billion. The budget will increase each year through 2026, when the annual total is about \$14.7 billion.

4. Now that PG&E's budget is approved, will customers see rate increases on their energy bills?

Yes, rates will increase for all PG&E customers, including those that receive electricity generation services from CCAs.

5. How much will the typical residential customer's bill increase?

The typical residential customer's bill will increase by \$32.62 or 12.8% in 2024. This is for *both* electricity and gas combined. Note that the impact on your bill will vary depending on your usage, what part of the state you live in, and other programs in which you choose to enroll. See table below for illustrative rate impacts for both electricity and gas customers.

PG&E Bill Impacts

	Electric-only Customers	Natural Gas-only Customers	Electric and Gas Customers
Average residential customer bill increase	+\$22.20	+\$10.43	+\$32.62 or an increase of 12.8%
Average residential CARE customer bill increase	+\$14.43	+\$7.23	+\$21.66 or an increase of 13.1%

Source: <https://www.cpuc.ca.gov/-/media/cpuc-website/industries-and-topics/documents/pge/grcs/updatedfaq-pge-grc-111323.pdf>.

6. When will the rate increases take effect?

The new rates will take effect on January 1, 2024. Customers may see the change in their bill in February depending on their billing cycle.

7. Why does PG&E want to increase rates, and what are the main drivers?

PG&E asserts it needs to make several changes to ensure the safety and reliability of its energy services. The top drivers of PG&E's rate increases are inflation and significant investments in undergrounding electric lines to decrease wildfire risk.

8. Are CCA customers impacted?

Yes, CCA customers are impacted because they receive transmission, distribution and other services from PG&E. CCA and non-CCA customers in PG&E's territory are impacted equally. It's important to note that the bill increases are for PG&E's services only, not the electricity services CCAs provide.

9. Are CCA charges affected by PG&E's rate increase?

No, CCA electricity costs are separate from the amount billed by PG&E.

10. Why is there opposition to PG&E's rate increases?

Ratepayer advocacy groups, including The Utility Reform Network (TURN), opposed the rate increase, deeming it excessive. They urged support for a less expensive alternative. California CCAs also protested aspects of PG&E's budget request.

11. How can I express an opinion about the PG&E GRC?

Members of the public can still submit comments to the CPUC through the "Public Comments" tab [here](#).

12. I've heard the PG&E rate increases are based on how much money customers earn. Is this true?

There is a different proposal before the CPUC, separate from the GRC, where some PG&E customers would pay a fixed charge on their monthly bills based on household income. This is known as the income graduate fixed charge (IGFC) proposal.

13. How much will I pay per month under the income graduate fixed charge proposal?

The charge will vary based on income. PG&E estimates the following bill impacts:

- Low-income customers can expect to pay \$15-\$30
- Moderate-income customers would pay about \$51
- Higher income customers would pay about \$92

Source: <https://pgsupport.zendesk.com/hc/en-us/articles/14862277639565-How-much-will-I-pay-under-the-income-graduate-fixed-charge-proposal->

14. When would I see the IGFC charges on my bill?

The CPUC plans to authorize the IGFC by July 1, 2024. The charges will appear on your PG&E bill as soon as 2026. The Commission has yet to decide the precise timing.

15. Where did the idea for the new income-based charges come from?

The California Legislature passed a bill, AB 205, that directed the CPUC to authorize an IGFC, so that low-income customers would save on their monthly bills without changing consumption.

16. How can I express an opinion about the addition of new income-based charges?

Members of the public can weigh in on the IGFC proposal through the CPUC's "Public Comments" tab [here](#).

17. I can't afford all these rate increases! What can I do to reduce my energy bill?

There are many steps you can take to try to reduce your energy costs. First, find out if you are eligible for California's main bill discount programs, [California Alternate Rates for Energy \(CARE\)](#) and [Family Electric Rate Assistance Program \(FERA\)](#), which provide 30-35 percent discounts on rates.

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Staff Report - Item 05

To: Sonoma Clean Power Authority Board of Directors

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

Issue: Accept the Independent Draft Report for the Financial Statements from Fiscal Years Ending June 30, 2022, and June 30, 2023

Date: December 7, 2023

Requested Board Action

Accept the independent draft report for the Financial Statements from Fiscal Years ending June 30, 2022, and June 30, 2023.

Background

Pisenti & Brinker will be presenting their independent report of SCPA's financial statements for the Fiscal Years ending June 30, 2022, and June 30, 2023. The report was completed with financial statements prepared by Maher Accountancy.

Attachments

- Financial Statements - Years Ended June 30, 2022 and June 30, 2023 with Report of Independent Auditors, through [this link](#) or by request from the Clerk of the Board.