



**AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, JANUARY 4, 2024, 9:00 A.M.**

EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 54953(F), MEMBERS OF THE BOARD OF DIRECTORS MAY PARTICIPATE IN THE JANUARY 4, 2024, 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 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 December 7, 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 Fourth Amendment to Contract with Calpine Energy Solutions, LLC to add \$1,104,682 for an Amount Not-to-Exceed \$3,074,682 through June 1, 2025 (Staff Recommendation: Approve) **pg. 15**

BOARD OF DIRECTORS REGULAR CALENDAR

4. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. 21**
5. Receive Legislative and Regulatory Updates and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. 31**
6. Receive the 2023 Annual Report (Staff Recommendation: Receive and File) **pg. 35**

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 community-owned 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 to help California increase power reliability.
IOU	Investor-Owned Utility - for-profit distribution utilities like 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.
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, DECEMBER 7, 2023
9:00 A.M.**

CALL TO ORDER

(9:05 a.m. - Video Time Stamp: 00:04:23)

Chair Fudge called the meeting to order.

Board Members present: Chair Fudge, Vice Chair Hopkins, Directors Bagby, Ford, Barnacle, Zollman, Farrar-Rivas, Strong, and Gjerde. Directors Rogers and Elward were 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; Carolyn Glanton, Programs Operations Manager; and Josh Nelson, Special Counsel.

BOARD OF DIRECTORS CONSENT CALENDAR

(9:06 a.m. - Video Time Stamp: 00:05:31)

1. Approve November 2, 2023, Draft Board of Directors Meeting Minutes
2. Approve the Board of Directors Meeting Dates for the 2024 Calendar Year

Public Comment: None

Motion to approve the December 7, 2023, Board of Directors Consent Calendar by Director Bagby

Second: Director Barnacle

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

ABSENT: Rogers, Elward

BOARD OF DIRECTORS REGULAR CALENDAR

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

(9:08 a.m. - Video Time Stamp: 00:07:46)

Stephanie Reynolds, Director of Internal Operations, mentioned that there was no Geothermal Opportunity Zone Item in the packet because there was no current activity to report. She introduced Carolyn Glanton, Programs Operations Manager, to give an update on the Self Generation Incentive Program (SGIP). Ms. Glanton mentioned that SCP has stopped the SGIP program after 3½ years. The PG&E program is still active and PG&E is processing payments much faster than before SCP began the SGIP program, so there is no longer a need to assist customers with timely payments.

Director Ford asked if there are still resources available to navigate the SGIP program and Ms. Glanton answered that she is happy to help and there is information available on the SCP website. Chair Fudge asked if there are battery examples available at the Advanced Energy Center (Energy Center) and Ms. Glanton answered yes.

Director Reynolds mentioned SCP's Community Needs Assessments and pointed out the September Monthly Financials in the packet. Geof Syphers, CEO, announced that there would be a photo taken of the Board at the January 4, 2024, Board meeting for SCP's 10-year anniversary of service and asked the Board to attend. Director Reynolds announced that Kate Kelly, Director of Marketing and Community Outreach, just had her 10-year anniversary with SCP.

Public Comment: None

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

(9:15 a.m. - Video Time Stamp: 00:14:25)

Neal Reardon, Director of Regulatory Affairs, gave an update on the Pepperwood Preserve remote grid and said it was an example of how PG&E and SCP could work well together. He stated that the project was now live. He gave an update on the Diablo Canyon Nuclear Power Plant and stated that its extension is now set to proceed for the next few years. Director Reardon then discussed the implementation of rate cases through the recent General Rate Case.

Chair Fudge asked why the Pepperwood Preserve still pays generation and distribution rates and Director Reardon explained that doesn't change with the remote grid agreement, but the power reliability increases. CEO Syphers added that this project is an early example, and that current regulation needs to catch up with this type of transmission.

CEO Syphers then gave a legislative update where he stated that the recently passed Income Graduated Fixed Charge is now being discussed as concerning and needing to be cleaned up. He also stated that the Legislature is facing a \$58 billion budget gap next year.

Public Comment: None

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

(9:28 a.m. - Video Time Stamp: 00:27:36)

Director Reynolds introduced Kellin Gilbert of Pisent & Brinker who gave a presentation on the Independent Draft Report for the Financial Statements from Fiscal Years Ending June 30, 2022, and June 30, 2023. The audit covered the topics of risk assessment, audit procedure, revenue, accounts, cash, costs, and communications. Mr. Gilbert stated that the audit found no significant issues and did not recommend any significant adjustments.

Chair Fudge asked if this was an "A" audit and Mr. Gilbert responded that this was an accurate depiction. Director Gjerde asked how SCP related to other agencies and Mr. Gilbert responded that was for the Board to decide.

Public Comment: None

Motion to Accept the Independent Draft Report for the Financial Statements from Fiscal Years Ending June 30, 2022, and June 30, 2023, by Director Barnacle

Second: Director Hopkins

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

ABSENT: Rogers, Elward

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

(9:44 a.m. - Video Time Stamp: 00:43:24)

Director Barnacle announced that Petaluma would be hosting their annual Lighted Boat Parade and their Lighted Bike Ride. Chair Fudge mentioned that Windsor was named in the top 3 towns in Northern California for Holiday Spirit and reported that Windsor's Green House Gas emissions were down 41% since 2006.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(9:46 a.m. - Video Time Stamp: 00:44:56)

Public Comment: None

ADJOURN

(9:46 a.m. - Video Time Stamp: 00:45:15)

The meeting was adjourned to Closed Session by unanimous consent.



Staff Report - Item 02

To: Sonoma Clean Power Authority Board of Directors

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

Issue: Receive Geothermal Opportunity Zone Update

Date: January 4, 2024

Background

The Geothermal Opportunity Zone (GeoZone) is SCP's initiative to guide the development of local geothermal power that is compatible with community values and enables SCP to phase-out its dependence on natural gas power plants for reliability. The Community Advisory Committee (Committee) meetings are a regularly scheduled public forum for the community to receive updates and provide input on the GeoZone. The updates provided to the CAC each month, and minutes from any discussion are posted on SCP's website at <https://sonomacleanpower.org/geozone-public-updates>. Staff incorporates any feedback received from the Committee presentation into the monthly updates to the Board of Directors. Additional background on the GeoZone can be found on the GeoZone webpage at <https://sonomacleanpower.org/geozone>.

Exploration Well Permitting Delegation

A critical project risk to Eavor and Chevron New Energies is the permitting timeline for exploration activities. Before designing, contracting, and permitting a power plant project Eavor and Chevron New Energies will need to drill exploration wells to confirm subsurface conditions are conducive to a pilot project and commercial scale-up. Although new technologies greatly expand the envelope of conditions that can accommodate development relative to a conventional geothermal project, there is still uncertainty in rock conductivity, mechanical properties, and drilling execution that can only be resolved through drilling an exploration well. State law defines geothermal exploration wells as a separate activity from geothermal development that is subject to the California Environmental Quality Act (CEQA) with the California Geologic Energy Management Division (CalGEM) as the lead agency.

In initial discussions with CalGEM, SCP and its partners have learned that the agency is severely resource constrained due to the demands of CEQA permitting and litigation for oil and gas projects. As an example, CalGEM has been working on a CEQA permit for an exploration well in Inyo County for over two years. Results from exploratory drilling will be a critical path for both Eavor and Chevron New Energies, and that length of delay could greatly reduce momentum and ultimately risk the project moving forward.

The Geothermal Program Manager from CalGEM has recommended that Sonoma County pursue a request for CalGEM to delegate lead agency responsibilities to the county. Imperial County has successfully petitioned CalGEM for delegation and demonstrates much higher responsiveness to geothermal exploration permitting. State law allows a county to petition for delegation if they have a geothermal element in their General Plan.

Sonoma County does not have a geothermal element in their General Plan but is currently starting the process of a General Plan update. SCP submitted comments to the Board of Supervisors December 12th kick-off requesting that the county include adding a geothermal element as in-scope for the update to give Sonoma County the option of pursuing the delegation process in the future. Unfortunately, the timing of the General Plan update is not short – staff remarked in the December 12th Board of Supervisors meeting it could take five or six years – so SCP is also looking at other opportunities to reduce the timing constraints and increase local involvement in the exploration well permitting process.

Partner Quarterly Updates

SCP's partners provided their quarterly updates on GeoZone progress to staff in November. These updates demonstrate partners continue to progress efforts to assess the geothermal resource and identify land opportunities to site pilot projects and scale-up development. Chevron New Energies, Eavor, and Cyrq are all still forecasting that they will be able to satisfy the requirements of their cooperation agreements by the agreed-to completion date. Additionally, data and analysis completed thus far continue to support that the GeoZone area has the appropriate conditions to support their proposed development strategies. As soon as partners succeed in securing land and necessary commercial agreements for pilot projects, the focus will turn to exploration well permitting and design and transmission planning.

Grant Funding

The Department of Energy Geothermal Technology Office is expected to announce the recipients of the Bi-partisan Infrastructure Law's Enhanced Geothermal Systems Demonstration grant imminently. Chevron New Energies applied for the grant for their

GeoZone project. Notifications were originally scheduled to be sent in October 2023.

SCP and partners are actively monitoring other grant opportunities for GeoZone from the Department of Energy and California Energy Commission.

Transmission Planning

SCP staff continues to invest considerable time in advocacy for transmission planning and interconnection process reforms that are supportive of local resource development. The CAISO has provided a preliminary list of policy-driven upgrades expected in its 2023-24 Transmission Planning Process and the scope is far smaller than SCP expected—particularly in PG&E territory. Scaling-up geothermal development will likely require upgrades to PG&E’s high-voltage system in the Central Valley to provide a path for local resources to contribute to peak statewide conditions (which is a requirement for obtaining deliverability and eligibility for resource adequacy credit). SCP believes that the CPUC’s portfolio supports investing in these strategic upgrades and has submitted comments in both the CPUC and CAISO processes to stress their importance. SCP is also beginning to explore and socialize a new approach the state should consider for transmission planning—looking at investments from a “least regrets” or “least risk” perspective rather than focusing on a short-term “least cost” for a very specific set of assumptions. Staff believe this approach will reduce the long-term costs of California’s energy transition by enabling a more flexible set of technologies to contribute and provide much greater assurance of California’s climate progress by lowering the risk of indefinitely extending the operation of natural gas power plants.

Meanwhile, the CAISO and stakeholders have shown increased receptiveness to the proposal of incorporating interest from load serving entities (LSE) in their process for gatekeeping applications to the interconnection queue. SCP has been actively participating in CAISO’s interconnection process enhancements process and pushing back against proposals to solely evaluate interconnection applications on their readiness (permitting status, site control, financial strength) and instead asking for a process that can reflect LSE interest in more strategic projects as well—such as the geothermal development SCP is supporting in the GeoZone. CAISO is expected to release a revised straw proposal for their interconnection process reforms in December and expects to finalize reforms for approval in a May 2024 Board of Governors meeting.

Attachments

- Letter on General Plan Update - 12.08.2023



431 E Street
Santa Rosa, CA 95404
sonomacleanpower.org

December 8, 2023

Sonoma County Board of Supervisors
575 Administration Drive
Room 100A
Santa Rosa, CA 95403

**RE: Sonoma Clean Power Comments on December 12, 2023
Meeting Item #50: Sonoma County General Plan Kick-Off**

Chair Coursey and Supervisors,

I'm writing to ask the Board of Supervisors to add a Geothermal element to the upcoming General Plan to enable local permitting oversight of new geothermal power facilities.

This would enable timely review of the early-stage geothermal exploration projects that are critical to the County's climate progress, since the state's lead agency has a multi-year backlog of oil and gas work. Currently, Sonoma County's existing General Plan does not meet the requirements for local geothermal exploration permitting, hence the request for a new element (which can be included inside of a larger element, such as Climate or Open Space & Resource Conservation).

Should the County agree in principle to develop a Geothermal element, Sonoma Clean Power staff are prepared to support the effort in any way needed. Additional background information is provided as an appendix to this letter.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Geof Syphers", written in a cursive style.

Geof Syphers, CEO

Background

On February 8, 2022, this Board unanimously approved a resolution joining Sonoma Clean Power's (SCP) Geothermal Opportunity Zone (GeoZone) to explore opportunities to accelerate development of local geothermal resources. By joining the GeoZone, Sonoma County has demonstrated leadership in driving solutions to provide clean, reliable, and affordable energy resources that will prove essential to meeting California's climate goals.

A key focus of GeoZone is early stakeholder engagement to guide local geothermal development that is compatible with the values of the local community. SCP has organized GeoZone-specific community events and provides the public with updates and an opportunity to comment on GeoZone activities at monthly committee meetings. SCP believes proactive engagement and open communication is critical to the ultimate success of GeoZone projects. Through these activities, SCP has appreciated the ability of Sonoma County residents to engage on the climate crisis, energy reliability concerns, environmental justice, and the right ways to host needed new development.

In planning for new local geothermal power sources, SCP and its GeoZone partners have identified permitting geothermal exploration wells as a critical project risk. State law identifies geothermal exploratory projects as a distinct activity that is subject to CEQA that is administered by the California Geologic Energy Management Division (CalGEM). CalGEM's Geothermal Program Manager has provided feedback that they are unable to process geothermal permitting in a reasonable timeframe because of staff time dedicated to oil and gas industry projects.

CalGEM is very supportive of other counties pursuing lead agency delegation for geothermal exploratory projects. Importantly, even if a county pursues delegation, CalGEM would continue to provide expertise on well construction, subsurface risks, and approve drilling permits after the CEQA is complete.

Sonoma County does not currently have a Geothermal element in its General Plan and is therefore ineligible for petitioning CalGEM for lead agency status. SCP strongly encourages Sonoma County to add a Geothermal element as part of its General Plan update to provide the county the option to pursue lead agency delegation—which provides the local and GeoZone project benefits described above. A Geothermal element would also provide an opportunity to address land use considerations for a potential larger scale-up of geothermal development in the region. The definition of a Geothermal element in the California Public Resources Code (Section 25133) is provided below for reference:

“Geothermal element” means an element of a county general plan consisting of a statement of geothermal development policies, including a diagram or diagrams and text setting forth objectives, principles,

standards, and plan proposals, including a discussion of environmental damages and identification of sensitive environmental areas, including unique wildlife habitat, scenic, residential, and recreational areas, adopted pursuant to Section 65303 of the Government Code.

SCP has connected with Permit Sonoma on the delegation process and possibility of adding a Geothermal element to the General Plan. Permit Sonoma staff have advised that the kick-off discussion today is a good forum to introduce the idea. CalGEM has provided materials from Imperial County's petition for delegation and suggested that the Imperial County Geothermal element has been recently updated and a good template for developing a Sonoma County geothermal element. Neighboring Lake County, which shares the existing Geysers resource with Sonoma, also includes a Geothermal element in its General Plan.

SCP is committed to progressing the GeoZone initiative and increasing the opportunity for the local community to engage in early project development. Adding a geothermal element to Sonoma County's General Plan is an important opportunity to support both ambitions. Given the importance, SCP is committed to supporting the county in this effort.



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 Negotiate and Execute Fourth Amendment to Contract with Calpine Energy Solutions, LLC to add \$1,104,682 for an Amount Not-to-Exceed \$3,074,682 through June 1, 2025

Date: January 4, 2024

Recommendation

Staff requests the Sonoma Clean Power's (SCP) Board of Directors (Board) approve and delegate authority to the Chief Executive Officer (CEO) or his designee to negotiate and execute a fourth amendment to the contract with Calpine Energy Solutions, LLC (Calpine) to add \$1,104,682 to the not-to-exceed amount and amend the term through June 1, 2025. The updated not-to-exceed amount of \$3,074,682 is fully funded by the CPUC Energy Efficiency programs through ratepayer non-bypassable charges and does not add to SCP's budget.

Background

The Master Service Agreement with Calpine includes a Data Manager Services Appendix with Recurve Analytics, Inc. (Recurve) acting as a subcontractor. Recurve assists Sonoma Clean Power in implementing a CPUC-funded energy efficiency program called FLEXmarket.

FLEXmarket is a pay-for-performance energy efficiency program where Recurve is responsible for project eligibility, calculating and tracking incentives, measurement and verification, and reporting assistance.

Discussion

On June 2, 2022, the CPUC approved a budget for Sonoma Clean Power of \$3,074,682 over the course of its three-year Energy Efficiency Program Plan, referred to as FLEXmarket. The amendment to the Data Manager Services with Recurve would increase the not-to-exceed of the FLEXmarket program by \$1,104,682 bringing the total not-to-exceed contract amount to the CPUC approved amount of \$3,074,682 and amend the term to June 1, 2025. The revised contract amount and term with Recurve aligns with CPUC's funding allocation to Sonoma Clean Power and timeline to expend the funding.

Community Advisory Committee Review

The Community Advisory Committee recommended that the Board of Directors approve the negotiation and execution of the fourth amendment to the Calpine Energy Solutions agreement at their December 21, 2023, meeting.

Fiscal Impact

This proposed amendment is funded by the CPUC Energy Efficiency programs through ratepayer non-bypassable charges. There is no net fiscal impact for SCP customers and no additional cost to SCP itself.

Attachments

- Attachment 1 - Fourth Amendment to the Master Professional Services Agreement for the Sonoma Clean Power Authority with Calpine Energy Solutions, LLC to amend the Data Manager Services appendix to align with CPUC funding allocation and term.

**AMENDMENT NO. 4
TO MASTER PROFESSIONAL SERVICES AGREEMENT
BETWEEN
SONOMA CLEAN POWER
AND
CALPINE ENERGY SOLUTIONS, LLC**

This Amendment No. 4 to Master Professional Services Agreement (“Amendment No. 4”) is made and entered into as of this 4th day of January 2024 by and between Sonoma Clean Power f/k/a Sonoma Clean Power Authority (“SCP”) and Calpine Energy Solutions, LLC f/k/a Noble Americas Energy Solutions LLC (“Consultant”). SCP and Consultant are sometimes individually referred to as “Party” and collectively as “Parties.”

Recitals

- A. Original Agreement. The Parties have entered into an agreement entitled “Master Professional Services Agreement” dated October 31, 2013 [as amended by previous instruments dated October 31, 2013, April 7, 2022, and December 16, 2022 and currently supplemented by that certain Third Addendum for Data Manager Services dated April 1, 2022] (collectively, the “Original Agreement”), which is incorporated herein by reference as if fully set forth herein, for the purpose of SCP retaining Consultant to provide the Services set forth therein.
- B. Amendment Purpose. SCP and Consultant wish to amend Appendix B to the Third Addendum for Data Manager Services to replace the term and fee schedule set forth therein for Recurve Analytics, Consultant’s subcontractor.
- C. Amendment Authority. This Amendment No. 4 is authorized pursuant to Section 16 of the Master Professional Services Agreement.

Amendment

Now therefore, the Parties hereby modify the Original Agreement as follows:

- 1. Term. Appendix B, Section 4, of the Third Addendum for Data Manager Services is hereby deleted in its entirety and replaced with the following:

“4. TERM:

This Agreement shall commence on July 1, 2022. Projects enrolled in SCP FLEXmarket must have written authorization for a tracking start date on or before May 1, 2024. This Agreement shall terminate on the date that CALPINE ENERGY SOLUTIONS and RECURVE have completed the Services for the last Project enrolled, which shall occur by June 1, 2025 (the “Term”). Moreover, notwithstanding Section 1 of Amendment #2 to the Agreement, if SCP terminates the Agreement for convenience prior to the expiration of the Term, this Appendix B shall survive such termination and remain in effect until the expiration of such Term and SCP shall work with CALPINE ENERGY SOLUTIONS to ensure that RECURVE receives all data needed to perform the Services required under Appendix B.”

- 2. Pricing. Appendix B, Exhibit A, of the Third Addendum for Data Manager Services is hereby amended by deleting the tables for “Program Budget Cost Categories” and “Pricing Schedule” set forth in the Pricing section in their entirety and replacing

them with the following:

Program Budget Cost Categories

Program ID Budget Category	Total	Percentage of Total CPUC Budget
General and Administrative Overhead	\$153,735	5%
Evaluation Measurement & Verification	\$122,986	4%
Direct Implementation Non-Incentive	\$491,949	16%
Total Non-Incentive	\$768,670	25%
Total Incentives	\$2,306,012	75%
Total	\$3,074,682	100%

Pricing Schedule

Line Item	Price
FLEXmarket Energy Efficiency Program Administration	25% of Measured Program Value Not to exceed: 25% of Total Budget, \$768,670

3. Continuing Effect of Agreement. Except as provided in this Amendment, all provisions of the Original Agreement otherwise remain in full force and effect and are reaffirmed. From and after the date of this Amendment No. 4, whenever the term “Agreement” appears in the Original Agreement, it shall mean the Original Agreement as amended by this Amendment No. 4.
4. Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment No. 4.
5. Severability. If any portion of this Amendment No. 4 is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
6. No Waiver of Claims. Approval of this Amendment No. 4 does not satisfy, waive, or otherwise affect any claims between the parties under or related to the Agreement.

SONOMA CLEAN POWER

CALPINE ENERGY SOLUTIONS, LLC

Approved By:

Approved By:

Michael Koszalka,
Chief Operating Officer

Sean Fallmer
President

Date

Date

Approved as to form:

Special Counsel

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Staff Report - Item 04

To: Sonoma Clean Power Authority Board of Directors

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

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

Date: January 4, 2024

NEW PROPERTY PURCHASE

SCP is currently in Escrow to purchase the office building at 421 E Street in Santa Rosa, next door to our business office. A verbal update will be given at the meeting.

CONNECTED EV CHARGING PILOT

SCP is launching a pilot project to help with the growing number of EVs and how they use electricity. This managed EV charging pilot uses smart technology to better understand a car's charging needs. It uses an app for people who own EVs. This app checks how much battery a car has and when you usually charge it. Then, the app figures out the best time to charge your car. It does this so that the EV charges when the electricity is cleanest, like when there is more solar available, and when it's the cheapest.

This project is different from SCP's other managed charging program, GridSavvy, which only controls the charger during busy times. This new app looks at a car's battery and determines how you use it to make better charging decisions.

The goal is to get people to charge their cars during the day, which is better for the grid and reducing climate emissions. SCP is looking for up to 500 customers to try this out, especially those who are not in the GridSavvy program yet.

SCP chose EV.Energy for this project because of their experience and ability to deliver a good user experience with innovative features. A notable feature, suggested by the SCP Board, allows solar customers to align their EV charging with when their solar panels are generating power. The EV.Energy app is compatible with most EVs in the

area and can also work with smart chargers for older EVs that aren't directly compatible with the app.

MONTHLY COMPILED FINANCIAL STATEMENTS THROUGH OCTOBER 31, 2023

The year-to-date change in net position is over projections by approximately \$12,718,000. Year-to-date revenue from electricity sales is under budget by less approximately 2% and cost of energy is under budget projections by approximately 16%. Year-to-date electricity sales reached \$99,539,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$226,755,000, which indicates growth as SCP continues to make progress towards its reserve goals. Approximately \$163,190,000 is set aside for operating reserves.

BUDGETARY COMPARISON SCHEDULE THROUGH OCTOBER 31, 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 16%. 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.

ATTACHMENTS

October 2023 Financial Statements

UPCOMING MEETINGS

Community Advisory Committee - January 18, 2024

Board of Directors - February 1, 2024



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 October 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
November 27, 2023

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of October 31, 2023

ASSETS

Current assets

Cash and cash equivalents	\$ 53,435,086
Accounts receivable, net of allowance	24,164,842
Other receivables	1,917,973
Accrued revenue	12,358,818
Prepaid expenses	1,410,062
Deposits	8,784,595
Investments	123,811,634
Total current assets	<u>225,883,010</u>

Noncurrent assets

Other receivables	1,175,785
Land	860,520
Capital assets, net of depreciation	17,163,056
Deposits	846,256
Total noncurrent assets	<u>20,045,617</u>
Total assets	<u>245,928,627</u>

LIABILITIES

Current liabilities

Accrued cost of electricity	11,254,996
Accounts payable	853,405
Advances from grantors	2,900,771
Supplier security deposits	279,000
Other accrued liabilities	1,007,305
User taxes and energy surcharges due to other governments	672,778
Total current liabilities	<u>16,968,255</u>

Noncurrent liabilities

Supplier security deposits	2,205,121
Total liabilities	<u>19,173,376</u>

NET POSITION

Investment in capital assets	18,006,720
Unrestricted	208,748,531
Total net position	<u>\$ 226,755,251</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Four Months Ended October 31, 2023

OPERATING REVENUES

Electricity sales, net	\$ 98,748,540
Evergreen electricity premium	839,749
Grant revenue	173,911
Total operating revenues	99,762,200

OPERATING EXPENSES

Cost of electricity	67,600,205
Contract services	2,728,016
Staff compensation	2,529,004
Other operating expenses	809,940
Program rebates and incentives	1,586,290
Depreciation	463,626
Total operating expenses	75,717,081
Operating income	24,045,119

NONOPERATING REVENUES (EXPENSES)

Interest and investment returns	1,850,287
Nonoperating revenues (expenses), net	1,850,287

CHANGE IN NET POSITION

Net position at beginning of year	25,895,406
Net position at beginning of year	200,859,845
Net position at end of period	\$ 226,755,251

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS Four Months Ended October 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 102,070,434
Receipts from grantors	93,972
Other operating receipts	652,687
Payments to electricity suppliers	(69,444,752)
Payments for other goods and services	(4,018,937)
Payments of staff compensation	(2,495,530)
Tax and surcharge payments to other governments	(1,274,461)
Payments for program rebates and incentives	(2,038,057)
Net cash provided (used) by operating activities	<u>23,545,356</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(83,610)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	1,617,785
Proceeds from certificates of deposit matured	25,000,000
Purchase of investments	(62,095,231)
Net cash provided (used) by investing activities	<u>(35,477,446)</u>

Net change in cash and cash equivalents	(12,015,700)
Cash and cash equivalents at beginning of year	<u>65,450,786</u>
Cash and cash equivalents at end of period	<u>\$ 53,435,086</u>

SUPPLEMENTAL CASH FLOW INFORMATION

Capital acquisitions included in accounts payable and other liabilities	\$ 16,856
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SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS

(Continued)

Four Months Ended October 31, 2023

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

Operating income (loss)	\$ 24,045,119
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	463,626
(Increase) decrease in:	
Accounts receivable, net	1,003,668
Other receivables	(199,495)
Accrued revenue	251,017
Prepaid expenses	63,745
Deposits	4,462
Increase (decrease) in:	
Accrued cost of electricity	(4,769,771)
Accounts payable	(171,973)
Advances from grantors	(173,911)
Accrued liabilities	3,134,670
User taxes due to other governments	(47,001)
Supplier security deposits	(58,800)
Net cash provided (used) by operating activities	<u>\$ 23,545,356</u>



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 October 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
November 27, 2023

**SONOMA CLEAN POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND
Four Months Ended October 31, 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) *	\$ 100,361,031	\$ 98,698,940	\$ (1,662,091)	98%	\$ 243,952,000	\$ 145,253,060
Evergreen Premium (net of allowance)	981,498	839,749	(141,749)	86%	2,689,000	1,849,251
CEC Grant	400,000	-	(400,000)	0%	470,000	470,000
Investment returns	1,030,000	1,850,287	820,287	180%	3,540,000	1,689,713
Miscellaneous Income	685,891	223,511	(462,380)	0%	2,058,000	1,834,489
Total revenue and other sources	<u>103,458,420</u>	<u>101,612,487</u>	<u>(1,845,933)</u>	<u>98%</u>	<u>252,709,000</u>	<u>151,096,513</u>
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	80,212,548	67,600,205	(12,612,343)	84%	193,762,000	126,161,795
Data management	893,333	864,882	(28,451)	97%	2,680,000	1,815,118
Service fees- PG&E	330,000	331,458	1,458	100%	990,000	658,542
Personnel	2,696,000	2,529,004	(166,996)	94%	8,346,000	5,816,996
Energy Center, marketing & communications	1,022,193	765,875	(256,318)	75%	3,061,000	2,295,125
Customer service	132,500	72,312	(60,188)	55%	220,000	147,688
General and administration	438,353	448,500	10,147	102%	1,360,000	911,500
Legal	158,333	44,245	(114,088)	28%	475,000	430,755
Regulatory and compliance	153,333	135,316	(18,017)	88%	460,000	324,684
Accounting	85,893	103,510	17,617	121%	309,000	205,490
Legislative	73,333	32,000	(41,333)	44%	220,000	188,000
Other consultants	204,067	54,367	(149,700)	27%	624,000	569,633
Industry memberships and dues	278,233	236,371	(41,862)	85%	695,000	458,629
Program implementation	2,009,658	958,671	(1,050,987)	48%	8,101,000	7,142,329
Program - CEC grant	1,020,000	1,076,739	56,739	106%	1,712,000	635,261
Total current expenditures	<u>89,707,777</u>	<u>75,253,455</u>	<u>(14,454,322)</u>	<u>84%</u>	<u>223,015,000</u>	<u>147,761,545</u>
OTHER USES						
Capital outlay	200,000	90,532	(109,468)	45%	600,000	509,468
Total expenditures, other uses	<u>89,907,777</u>	<u>75,343,987</u>	<u>(14,563,790)</u>	<u>84%</u>	<u>223,615,000</u>	<u>148,271,013</u>
Net increase (decrease) in available fund balance	<u>\$ 13,550,643</u>	<u>\$ 26,268,500</u>	<u>\$ 12,717,857</u>		<u>\$ 29,094,000</u>	<u>\$ 2,825,500</u>
<i>* Represents sales of approximately 690,000 MWh for 2023/24 YTD actual.</i>						
RESERVES	Current Balance	Long-Term Targeted	% of Long-Term Target			
Operating Reserve (as of June 30, 2023)	<u>\$ 163,190,000</u>	<u>\$ 171,080,000</u>	<u>95%</u>			

SONOMA CLEAN POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND (CONTINUED)
RECONCILIATION OF NET INCREASE IN AVAILABLE FUND BALANCE
TO CHANGE IN NET POSITION
Four Months Ended October 31, 2023

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 26,268,500
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(463,626)
Add back capital asset acquisitions	90,532
Change in net position	\$ 25,895,406



Staff Report - Item 05

To: Sonoma Clean Power Authority Board of Directors

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

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

Date: January 4, 2024

Requested Action

Receive legislative and regulatory updates and provide direction as appropriate.

Regulatory Updates

CPUC Denies CalCCA's Application for Rehearing of Resource Adequacy Decision Preventing CCA Expansion

On December 18th the CPUC approved a Decision denying CalCCA's Application for Rehearing of D.23-06-029. That underlying Decision, issued in June of 2023, disallows CCAs which incurred a citation for failing to procure sufficient Resource Adequacy ("RA") from expanding service for two calendar years. The result of D.23-06-029 prevented the communities of Atascadero and Stockton from receiving CCA service from 3CE and AVA Community Energy, respectively.

In justifying this Decision, the CPUC cites their own broad authority to enforce RA requirements and underscores the importance of RA compliance to ensure grid reliability. The assigned judge also rejected CalCCA's argument that this rule is discriminatory and favors IOUs (which are not subject to the same rule) and that the CPUC should restructure its RA enforcement beyond the current penalty framework.

The remaining procedural option to CalCCA is to submit a Petition for Writ of Review, which is due in the appellate court on January 17, 2024.

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://pge-support.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.



Staff Report - Item 06

To: Sonoma Clean Power Authority Board of Directors
From: Kate Kelly, Director of Public Relations and Marketing
April Varellas, Brand Manager
Issue: Receive 2023 Annual Report
Date: January 4, 2024

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