



**AGENDA**  
**BOARD OF DIRECTORS MEETING**  
**THURSDAY, MARCH 7, 2024, 9:00 A.M.**

EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 54953(F), MEMBERS OF THE BOARD OF DIRECTORS MAY PARTICIPATE IN THE MARCH 7, 2024, MEETING AT ANY OF THE LOCATIONS SHOWN BELOW.

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

**MENDOCINO COUNTY ADMINISTRATION BUILDING (TELECONFERENCE LOCATION)**  
**501 LOW GAP ROAD, CONFERENCE ROOM A**  
**UKIAH, CA 95482**

**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

How to Submit Public Comment:

Comments may be provided in person at the physical meeting locations. Comments may be submitted in writing to [meetings@sonomacleanpower.org](mailto: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](mailto: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 February 1, 2024, Draft Board of Directors Meeting Minutes (Staff Recommendation: Approve) **pg. 5**
2. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. 11**
3. Approve and Delegate Authority to the Chief Executive Officer or Designee to Execute a Professional Services Agreement with ReconMR, LLC with a Not-To-Exceed amount of \$115,000 for the Annual Brand Awareness Survey (Staff Recommendation: Approve) **pg. 15**
4. Approve and Authorize the Chief Executive Officer to Execute an Option to Extend the Lease for the Advanced Energy Center an Additional 36 Months with Kushins & Langendorf (Staff Recommendation: Approve) **pg. 17**
5. Approve Rescheduling the Board of Directors May 2, 2024, Meeting Time from 9:00 AM to 4:00 PM (Staff Recommendation: Approve) **pg. 19**
6. Approve Sonoma Clean Power's Load Management Standards Plan and Authorize Staff to Submit this Plan to the California Energy Commission with Future Updates as Required by the California Energy Commission (Staff Recommendation: Approve) **pg. 21**
7. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. 25**
8. Receive Legislative and Regulatory Updates and Provide Direction as Appropriate (Staff Recommendation: Approve) **pg. 43**

**BOARD OF DIRECTORS REGULAR CALENDAR**

9. Approve Sonoma Clean Power Authority's Legislative Policy Platform (Staff Recommendation: Approve) **pg. 51**
10. Receive an Update on Sonoma Clean Power Authority's Community Support (Staff Recommendation: Receive and File) **pg. 59**
11. Receive Agricultural Community Needs Assessment Final Report (Staff Recommendation: Receive and File) **pg. 61**
12. Approve the Proposed Budget Adjustments for Fiscal Year 2023-2024 (Staff Recommendation: Approve) **pg. 65**

**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	SCP's Community Advisory Committee, advises the Board of Directors
CAISO	California Independent Systems Operator – the grid operator
Carbon Free	Carbon-free resources are sources of power that have no greenhouse gas emissions, but are considered renewable in California, such as large hydroelectric and nuclear
CCA	Community Choice Aggregator – a public power provider (generation only)
CEC	California Energy Commission
CleanStart	SCP's default power service
CPUC	California Public Utilities Commission
DER	Distributed Energy Resource (e.g. rooftop solar)
ERRA	Energy Resource Recovery Account – PG&E's primary generation rate case at the CPUC
EverGreen	SCP's premium 100% renewable, 100% local energy service, and the first service in the United States providing renewable power every hour of every day. Sign up today!
Geothermal	A locally available, low-carbon baseload renewable resource
GHG	Greenhouse gas
GRC	General Rate Case -PG&E's primary delivery rate case 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. GridSavvy Rewards are also available with smart devices (e.g. smart thermostat, EV charger, battery storage, etc.). Both are 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 program
PCIA	Power Charge Indifference Adjustment – The PCIA is a charge to ensure that both PG&E, Direct Access, and CCA customers pay for the above market costs for electric generation resources that were procured by PG&E on their behalf prior to departing. "Above Market" refers to the difference between what the utility pays for electric generation and current market prices for the sale of those resources.
RA	Resource Adequacy – a required form of capacity that helps ensure there are sufficient power resources available when needed. It acts as insurance for the grid when demand is high to keep the lights on.
RPS	Renewables Portfolio Standard refers to renewable energy sources which qualify to meet state requirements and include biomass & biowaste, geothermal, small hydroelectric, solar and wind.
SCPA	Sonoma Clean Power Authority
TOU	Time-of-Use, used to refer to rates that differ by time of day and season.

Page intentionally left blank for double-sided printing



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

---

**CALL TO ORDER**

(9:05 a.m. - Video Time Stamp: 00:02:46)

Chair Fudge called the meeting to order.

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

Staff present: Michael Koszalka, Chief Operating Officer; Stephanie Reynolds, Director of Internal Operations; Neal Reardon, Director of Regulatory Affairs; Miles Horton, Legislative Policy & Community Engagement Manager, Carolyn Glanton, Programs Operations Manager; and Josh Nelson, Special Counsel.

**BOARD OF DIRECTORS CONSENT CALENDAR**

(9:07 a.m. - Video Time Stamp: 00:04:28)

1. Approve January 4, 2024, Draft Board of Directors Meeting Minutes
2. Ratify Generation Rates Effective February 1, 2024, Consistent with Prior Board Direction

Public Comment: None

Motion to approve the February 1, 2024, Board of Directors Consent Calendar by Director Barnacle

Second: Director Elward

AYES: Lands, Lemus, Barnacle, Elward, Rogers, Zollman, Farrar-Rivas, Fudge, Gjerde, Hopkins

ABSENT: Strong

## **BOARD OF DIRECTORS REGULAR CALENDAR**

3. Nominate and Approve the Appointments of Chair and Vice Chair of the Board for One-Year Terms

(9:09 a.m. - Video Time Stamp: 00:06:33)

Public Comment: None

Motion to Nominate and Approve the Appointment of Lynda Hopkins as Chair of the Board for a One-Year Term by Chair Fudge

Second: Director Elward

AYES: Lands, Lemus, Barnacle, Elward, Rogers, Zollman, Farrar-Rivas, Fudge, Gjerde, Hopkins

ABSENT: Strong

Director Fudge thanked the Board and staff for their service during her time as Chair of the Board and discussed her history with SCP.

Chair Hopkins thanked the Board, staff and outgoing Chair Fudge and Director Elward also thanked Director Fudge for her service.

Public Comment: None

Motion to Nominate and Approve the Appointment of Brian Barnacle as Vice Chair of the Board for a One-Year Term by Rogers

Second: Director Farrar-Rivas

AYES: Lands, Lemus, Barnacle, Elward, Rogers, Zollman, Farrar-Rivas, Fudge, Gjerde, Hopkins

ABSENT: Strong

Vice Chair Barnacle thanked the Board and staff.

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

(9:23 a.m. - Video Time Stamp: 00:20:18)

Stephanie Reynolds, Director of Internal Operations, discussed GridSavvy and community partner donations made through the program being over \$5,000. She added that the donation program has been extended and all applications are due on February 13, 2024. Director Reynolds then discussed EverGreen

enrollment and explained the calculations used for weighted voting, which are recalculated annually. Michael Koszalka, COO, gave an update on SCP's financials and announced that SCP had closed escrow on the 421 E St., Santa Rosa building. COO Koszalka then discussed SCP's investment summary and reserves.

Director Lemus asked if the new building would be modified, and COO Koszalka answered that SCP has not made plans, yet. Director Fudge asked why GridSavvy numbers were low and added that SCP needed to re-advertise the program. Director Reynolds and COO Koszalka agreed and stated that the program was expanding. Director Farrar-Rivas asked how SCP was reaching out to non-profits and Carolyn Glanton, Programs Operations Manager, encouraged the Board to reach out to their personal relationships and added that SCP was using its distribution list. Director Zollman asked if SCP has a list for underserved communities and Ms. Glanton answered that SCP does have a list but always welcomes Board members to share information about the program with their contacts. Chair Hopkins asked if SCP had explored a community benefit fund to target equity and requested an upcoming item regarding community outreach.

Public Comment: None

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

(9:39 a.m. - Video Time Stamp: 00:36:52)

Neal Reardon, Director of Regulatory Affairs, announced that PG&E applied to expand the capacity of the Helms Pumped Storage Facility. Director Reardon explained that this expansion would extend the life of the hydro plant and add additional capacity. Director Reardon then discussed the extension of Diablo Canyon and explained that since its approval, two petitions have been submitted to the CPUC and he stated that PG&E wanted a guaranteed rate of return on their investment.

Vice Chair Barnacle asked how often PG&E is not guaranteed a rate of return and Director Reardon answered not often, but this time there are caps placed on PG&E. Director Rogers asked if the CPUC was supposed to discuss Diablo Canyon in January and Director Reardon answered that matter was working its way through the CPUC now.

Director Reardon then stated that CPUC Commissioner Shiroma had announced her retirement and the Governor will appoint a new Commissioner to fill the vacancy. He then added that PG&E had settled over the Dixie Fire with the CPUC for a \$45 million fine.

Miles Horton, Legislative Policy & Community Engagement Manager, gave a legislative update and stated that bills were due to the legislature by February 16, 2024. He gave an update on SB 938 which would close a loophole using ratepayer funds for lobbying and he discussed leadership changes. Mr. Horton then discussed the budget and the upcoming ~\$39+ billion deficit. Mr. Horton then gave an update on AB 1999 which would significantly alter the authorization it gave for income graduated fixed charges.

Director Barnacle asked if there was any appetite for an energy burden cap for income qualified participants and Mr. Horton answered not that he was aware of, but he added that awareness was increasing.

Public Comment: None

Motion to give authority to the Chair and Vice Chair to work with ratepayer groups regarding AB 1999 by Director Rogers

Second: Director Elward

AYES: Lands, Lemus, Barnacle, Elward, Rogers, Zollman, Farrar-Rivas, Fudge, Gjerde, Hopkins

ABSENT: Strong

## 6. Receive Energy Savings Box Focus Group Findings

(10:03 a.m. - Video Time Stamp: 01:00:27)

Brytann Busick, Marketing and Events Manager, gave a presentation on the Energy Savings Box focus group findings.

Director Fudge encouraged SCP to work with schools. Director Farrar-Rivas asked what SCP's long-term plans were and COO Koszalka answered that these materials were the early stages and SCP was learning from the research. Director Lemus stated that Cinco de Mayo festivals would be a good place to have the boxes and Vice Chair Barnacle added that Meals on Wheels, McDowell Family Resource Center, and the Mentor Me program would as well. Ms. Busick invited the Board to send her ideas on where to distribute the boxes.



Public Comment: None

## **BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS**

(10:18 a.m. - Video Time Stamp: 01:15:37)

Director Fudge honored Melanie Bagby as a member of the Board of Directors. Chair Hopkins also thanked Ms. Bagby for her leadership and requested staff to prepare a thank you from the Board. Chair Hopkins then asked Director Lands to introduce himself, which he did. Director Farrar-Rivas announced that the City of Sonoma adopted its Climate Action Strategy. Member Lemus announced that the City of Cotati passed a resolution honoring Black History Month and Director Zollman added that Sebastopol did as well. Vice Chair Barnacle announced Petaluma would be holding Lumacon and they had also honored Black History Month.

## **PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA**

(10:28 a.m. - Video Time Stamp: 01:23:52)

Public Comment: None

## **ADJOURN**

(10:28 a.m. - Video Time Stamp: 01:24:46)

The meeting was adjourned by unanimous consent.

Page intentionally left blank for double-sided printing

## Staff Report - Item 02

---

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

**From: Ryan Tracey, Director of Planning & Analytics**  
**Geof Syphers, Chief Executive Officer**  
**Miles Horton, Legislative Policy & Community Engagement Manager**

**Issue: Receive Geothermal Opportunity Zone Update**

**Date: March 7, 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 Committee each month, and minutes from any discussion are posted on SCP's website at <https://sonomacleanpower.org/geozone-public-updates>. Staff incorporate 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>.

### Grant Funding

On February 13th, the Department of Energy's Geothermal Technology Office [announced they selected Chevron New Energies' pilot demonstration project](#) in the GeoZone for award negotiation as part of the Bi-partisan Infrastructure Law's Enhanced Geothermal Systems (EGS) Demonstration grant program. Funding from the Department of Energy will support the deployment of innovative technologies that can reduce well costs and increase productivity to support widespread commercial deployment of EGS.

The California Energy Commission (CEC) has released a request for information (RFI) for their Long Duration Energy Storage program—which has a budget of \$330 million. The RFI indicates a funding opportunity will be released in Summer 2024 to fund \$70 million in non-Lithium-ion technologies. SCP and Cymr responded to the RFI and recently met

with the CEC to discuss compatibility of the superheat long-duration energy storage system with the parameters of the forthcoming grant. The CEC also has an outstanding grant funding opportunity through its geothermal grant and loan program that SCP is evaluating as a potential opportunity for the GeoZone.

In late 2023, SCP staff met with the CEC to discuss a potential role for GeoZone in a broader statewide application to the Department of Energy's Grid Resilience and Innovation Partnerships Program (GRIP). The GRIP is a large \$10 billion opportunity with multiple phases. The conversation was a valuable opportunity to socialize the objectives of the GeoZone and how regional investments in transmission could accelerate deployment of new clean generation facilities.

### **Exploration Well Permitting**

One of the key critical path items for Eavor and Chevron New Energies is obtaining permits for the required exploratory drilling to confirm subsurface conditions are appropriate for developing pilot projects. Currently, permitting for geothermal exploratory projects is led by the California Geologic Energy Management Division (CalGEM), which is severely resource-constrained due to litigation on its role in permitting oil and gas operations. SCP is actively pursuing two paths to mitigate the risk of schedule delays due to permitting: 1) working with Sonoma County to add a geothermal element to its General Plan which would eventually enable it to petition CalGEM for lead agency status and 2) legislation that allows counties to serve as lead agency, just as is already the case with larger production-scale geothermal wells.

In December of 2023, SCP submitted a letter to the Sonoma County Board of Supervisors asking it to add a geothermal element to the scope of its General Plan update process. In the Board of Supervisors' General Plan kick-off on December 12, 2023, Supervisor Hopkins specifically acknowledged SCP's recommendation and asked for consideration of addressing the recommendation within a broader climate-focused element. SCP will continue to work with Sonoma County on exploring the feasibility of incorporating updates to the General Plan that facilitates delegation of lead agency status for geothermal exploration. However, the General Plan update process could take three to six years—well after the timeframe GeoZone partners anticipate completing exploration activities.

A parallel initiative is being led by staff to pass legislation that restores local jurisdiction of geothermal exploratory project permitting. Research by staff has revealed that the original bill passed in 1978 granting CalGEM lead agency status (AB 2644) was passed with the intention of accelerating the development of geothermal resources. However, in

the current environment, the designation of CalGEM's lead agency status has the opposite effect due to resource constraints. Staff have met with the Department of Conservation's legislative affairs team and legislative staff to discuss opportunities to address this issue in the current legislative session. SCP has also met jointly with CalGEM and the County of Sonoma to discuss the scope of permitting a geothermal exploratory project.

SCP is also leading an effort within the geothermal trade organization Geothermal Rising to increase the focus on state policy opportunities for supporting geothermal power. SCP staff hosted a workshop with geothermal developers to discuss the key players in the state legislature, opportunities for engagement, messaging for geothermal power, and state policy priorities. SCP and other Geothermal Rising members hope to spend time in Sacramento this year growing awareness amongst legislators and building a broader coalition.

### **GeoZone Project Updates**

Chevron New Energies and Eavor continue to be focused on identifying site acquisition opportunities and Cyrq is working on recruiting an existing geothermal operator to host deployment of its technology. Staff hold bi-weekly meetings with each partner to monitor progress towards requirements in the GeoZone cooperation agreements and identify opportunities to help with community engagement, transmission planning, grant funding, and policy advocacy.

### **Transmission Planning**

Along with exploration permitting, transmission capacity is another early project risk for GeoZone; which has motivated staff to expand SCP's involvement in the state's transmission planning. SCP has been actively engaged in the California Public Utility Commission's approval of the next Preferred System Plan (PSP) as part of its Integrated Resource Plan (IRP) proceeding.

SCP has submitted comments on the importance of investing in additional transmission capacity to enable success in de-carbonizing the grid considering a broad spectrum of uncertainties and risks. The existing IRP process is very focused on identifying the resources and transmission that minimize costs for a very specific set of deterministic assumptions. Lately, this approach has led to transmission investments in Southern California that are very dependent on out-of-state development and the success of offshore wind development in the Central Coast that leverages Diablo Canyon's existing transmission capacity. SCP argues that pursuing strategic projects like upgrading PG&E's

high-voltage backbone in the Central Valley that could provide deliverability for GeoZone, North Coast offshore wind, on-shore wind, and solar with storage is prudent to pursue in parallel to avoid overconcentrating the risk of the state's decarbonization goals on a few select types of resources. SCP is in the early stages of exploring a collaboration with academia to provide modeling results to demonstrate the benefit of incorporating uncertainty into state transmission planning.

SCP also continues to participate in CAISO's Interconnection Process Enhancements initiative, which released its final proposal in mid-February. SCP is optimistic that its strong advocacy in the initiative will result in several important positive outcomes including prioritizing the interests of load serving entities and long-lead time resources like geothermal.

SCP has also released a job solicitation for a Strategic Energy Resource Policy Manager. The primary responsibility for this position will be to champion SCP's advocacy for policy that supports the required transmission for the GeoZone and SCP's overall resource portfolio.

## **Community Engagement**

In January, SCP spoke to the North Coast Resource Partnership and made a number of good community connections with local tribes, water districts, and permitting agencies. Staff expect to stay engaged with NCRP to facilitate broader awareness of GeoZone goals and activities.

Also in January, staff met with Swedish geothermal developer Baseload Capital to compare notes on effective community engagement for geothermal development. Early this year, SCP plans to work on growing its network of community engagement practitioners within the geothermal industry and beyond. SCP looks forward to applying lessons learned from others and feedback from our local community in building more proactive community engagement for the GeoZone this year. SCP endeavors to build GeoZone projects that reflect the community's values and become a point of pride for Sonoma and Mendocino counties.

In February, staff spoke with the Mayors and Councilmembers Legislative Committee, briefing that group on the GeoZone's goals and activities and discussing bills introduced for 2024.



## **Staff Report - Item 03**

---

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

**From:** Kate Kelly, Director of Public Relations & Marketing  
Brytann Busick, Marketing & Events Manager

**Issue:** Approve and Delegate Authority to the Chief Executive Officer or Designee to Execute a Professional Services Agreement with ReconMR, LLC with a Not-To-Exceed amount of \$115,000 for the Annual Brand Awareness Survey

**Date:** March 7, 2024

---

### **Recommended Action**

Staff requests that the Board of Directors delegate authority to the CEO or Designee to execute a contract with ReconMR, LLC (ReconMR) with a not-to-exceed amount of \$115,000 for the Annual Brand Awareness Survey, to provide Sonoma Clean Power (SCP) with research services and recommendations.

The Professional Services Agreement (Attachment A) contains the scope of work for the research effort.

### **Background**

Sonoma Clean Power has been working with Hiner and Partners, Inc. (HPI), a market research and public opinion firm, since 2020, beginning with residential focus groups. In late 2023, HPI was acquired by ReconMR. HPI staff were retained, and SCP continues to work with the same research team. In December 2023, SCP partnered with ReconMR to administer focus group research for the Energy Savings Box program and were pleased with the partnership and associated research findings. HPI staff and ReconMR have extensive experience in the utility space, including working with all three California investor-owned utilities. Originally, HPI was recommended to SCP by Peninsula Clean Energy and is now working with a handful of fellow CCAs, creating the opportunity for SCP to compare against its peers using like methodologies. In 2022 and 2023, SCP contracted with HPI to conduct a study in

Sonoma and Mendocino Counties to monitor the awareness and familiarity of SCP among customers and non-customers. Key research findings in 2023 included 42 percent SCP unaided awareness and 72 percent awareness when aided. Staff plans to repeat this brand awareness survey annually to monitor progress in supporting customers in trimming energy bills and ending their reliance on fossil fuels.

## **Discussion**

Staff recommends that the Brand Awareness research be replicated each year to track progress toward educating customers in general and to specific demographic groups. The results each year will show progress made in making more customers aware of Sonoma Clean Power, what SCP does, how electricity delivery works, gaining their interest and then converting interest to action. The Brand Awareness survey will be mailed to an audience of 50,000 residential customers and residential non-customers in Sonoma and Mendocino counties (approximately 25,000 recipients for each county.)

Because of the positive experience SCP had working with HCI and now with ReconMR and the satisfactory work performed to date, SCP wishes to continue working with ReconMR on additional market research and transactional survey instruments.

## **Community Advisory Committee Review**

The Community Advisory Committee recommended the Board approve this item at its February 15, 2024, meeting.

## **Fiscal Impact**

The proposed contract has a not-to-exceed amount of \$115,000. Funds for this research effort are contained in the Marketing budget.

## **Attachments**

- Attachment A - Draft Professional Services Agreement with ReconMR and Scope of Services (Exhibit A) for Brand Awareness Survey, available at [this link](#) or by request to the Clerk of the Board.





## Staff Report - Item 04

---

**To:** Sonoma Clean Power Authority Board of Directors  
**From:** Stephanie Reynolds, Director of Internal Operations  
**Issue:** Approve and Authorize the Chief Executive Officer to Execute an Option to Extend the Lease for the Advanced Energy Center an Additional 36 Months with Kushins & Langendorf  
**Date:** March 7, 2024

---

### Recommendation

Staff request that the Board of Directors (Board) approve and provide additional authority to the CEO to execute a lease extension of thirty-six months with Kushins & Langendorf for the Advanced Energy Center (Energy Center) at 741 4<sup>th</sup> Street, Santa Rosa, California.

### Background

On August 2, 2018, the Board approved a 36-month lease with Kushins & Langendorf for the Energy Center at 741 4<sup>th</sup> Street, Santa Rosa, California. The initial termination date on the lease was October 31, 2021.

On July 1, 2021, the Board approved the first of three options to extend the lease. The current termination date of the lease is October 31, 2024.

### Discussion

The current Energy Center lease expires October 31, 2024. The original lease provided SCP with three options to extend the lease of 36 months each. This would be the second of the three extensions, extending the lease until October 31, 2027.

Since the opening of the Energy Center, SCP has increased public outreach, direct customer service, held events, hosted school field trips, cooking classes and much more. We anticipate the traffic at the Energy Center to continue to grow and hope to remain in the same location in an effort to maintain familiarity with the public.

## **Community Advisory Committee Review**

On February 15, 2024, this item was brought to the Committee meeting held at SCP. The request to recommend the Board approve the lease extension was unanimously approved by the Committee.

## **Fiscal Impact**

The current rate of the lease is \$13,390 per month. The lease payment will be adjusted annually on the first day of each annual anniversary month of the commencement date (November 1). The adjustments are calculated based on the Consumer Price Index for Bay Area cities.

In addition to the lease rate, SCP will be responsible for paying its proportionate share of the Common Area Operating Expenses (CAOE), which is currently \$3,018.10 per month.

The total expected lease and common area costs over the extension period is expected to be approximately \$623,000. SCP will include these costs in its proposed FY 24-25 budget and the budgets for the subsequent years.

## **Attachments**

- 741 Fourth St. Signed Lease; available at [this link](#), or by request from the Clerk of the Board
- Advanced Energy Center 1<sup>st</sup> Lease Extension Request - signed; available at [this link](#), or by request from the Clerk of the Board.

**Staff Report - Item 05**

---

**To: Sonoma Clean Power Authority Board of Directors**  
**From: Stephanie Reynolds, Director of Internal Operations**  
**Issue: Approve Rescheduling the Board of Directors May 2, 2024, Meeting Time from 9:00 AM to 4:00 PM**  
**Date: March 7, 2024**

---

**Recommendation**

Approve rescheduling the Board of Directors (Board) May 2, 2024, meeting time from 9:00 AM to 4:00 PM.

**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. On December 7, 2023, the Board approved the 2024 Board meeting schedule.

**Discussion**

The proposed schedule, included as an attachment, would largely maintain the regular meeting schedule established by the Board, but would change the time for the May 2, 2024, Board Meeting from 9:00 AM to 4:00 PM.

**Attachments**

- Updated 2024 SCPA Board of Directors Meeting Schedule (redlined)



**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 1<sup>st</sup> Thursday of each month)

January 4, 2024

February 1, 2024

March 7, 2024

April 4, 2024

May 2, 2024 ([This Meeting will be held at 4:00 PM](#))

June 6, 2024

July 11, 2024 (2<sup>nd</sup> Thursday Due to the Holiday)

August 1, 2024

September 5, 2024 (Tentative)

October 3, 2024

November 7, 2024

December 5, 2024



## Staff Report - Item 06

---

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

**From:** Neal Reardon, Director of Regulatory Affairs  
Erica Torgerson, Managing Director of Customer Service  
Brian Goldman, Principal Compliance Analyst

**Issue:** Approve Sonoma Clean Power's Load Management Standards Plan and Authorize Staff to Submit this Plan to the California Energy Commission with Future Updates as Required by the California Energy Commission

**Date:** March 7, 2024

---

### Recommendation

Approve and delegate authority to SCP staff to submit the Load Management Standards (LMS) Plan to the California Energy Commission (CEC) with future updates as required by the CEC.

### Background

The CEC modified its Load Management Standards regulations on January 25, 2023, requiring all Load Serving Entities to develop and publish hourly rates and/or programs. The intent of this new regulation is to balance electricity supply and demand to support reliability, reduce peak demand, and support clean and affordable electricity services to Californians. Public Utilities Sector, Section §1623.1(a)(1) requires CCAs to submit an LMS plan approved by their governing board no more than 30 days after approval, and no later than April 1, 2024.

### Discussion

California has three governing institutions to ensure citizens have access to safe, reliable, affordable, and clean energy: the CEC, the California Public Utilities Commission, and the California Independent System Operator. The CEC is charged with energy planning and policy development for the State. This includes forecasting future energy needs across the State, siting and licensing power plants, promoting energy efficiency, supporting the development of new technologies, and planning

responses to energy emergencies. In Docket # 21-OIR-03, the CEC adopted Load Management Standards applicable to all load serving entities: investor-owned utilities, municipal utilities, and CCAs.

The intent of the CEC's revised Load Management Standards are consistent with the goals of SCP, and include:

1. Providing accurate data to inform customers about current and future time-varying rates in a publicly available database.
2. Supporting Demand Response programs and flexible load by developing and standardizing rate information.
3. More accurate matching of marginal wholesale costs to customer rates to encourage use of energy at times when it is most affordable.
4. Amplifying customer education and flexible load programs by integrating information about new time-varying rates into existing programs.

Compliance with the LMS regulation does not override or supersede this Board's sole authority as the rate-making and governing body of SCP. SCP's rates only apply to the generation component - a fraction of a customer's overall bill - with PG&E setting and applying transmission, delivery, and non-bypassable charges. While this reduces the ability to encourage usage at specific times, staff supports the goals of LMS. As detailed in Attachment 1, the existing GridSavvy program has been contributing to these goals since 2016.

SCP staff recommend that the Board adopt an LMS plan under which SCP customers will continue to have access to time-dependent rates as well as existing and future load flexibility programs offered by SCP. Currently, staff do not propose additional hourly marginal cost-based rates, as current time-of-day rates and load flexibility programs meet the same objectives of the LMS regulation.

## **Fiscal Impact**

The proposed plan - and any future requirements - are not expected to have any significant fiscal impact aside from the cost of staff time to develop, submit, and update plans as required.

## **Attachments**

- Attachment 1 - Sonoma Clean Power's Load Management Standards Plan, available at [this link](#), or by request to the Clerk of the Board.

Page intentionally left blank for double-sided printing





## Staff Report - Item 07

---

**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:** March 7, 2024

---

### **APPLICATIONS OPEN FOR SCP E-BIKE COMMUTER PROGRAM**

SCP is looking for organizations to partner with on its next electric bike offering, the E-bike Commuter Program, which will focus on expanding e-bike use for travel between homes and workplaces. This effort follows up on our successful Bike Electric program, which helped over 400 low-income customers purchase an electric bike through local and online participating retailers. Starting on February 14th, SCP is taking applications for grants of up to \$20,000 to cover all or most of the cost of setting up an e-bike commuting program, including money for helmets, locks, bike racks, chargers, and storage. The application and additional program information are available at [www.sonomacleanpower.org/bike-electric](http://www.sonomacleanpower.org/bike-electric). Eligible organization types include businesses, non-profits, public entities, Tribal nations, and educational institutions.

Applicants must be a Sonoma Clean Power customer and have at least five staff, volunteers, or students who commute using light-duty cars and trucks. A small number of individuals may also be awarded grants for a two-year electric bike lease. The application period will close on April 3rd, 2024.

### **MONTHLY COMPILED FINANCIAL STATEMENTS THROUGH DECEMBER 31, 2023, AND JANUARY 31, 2024**

The year-to-date change in net position is over projections by approximately \$19,749,000. SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$250,900,000, which indicates growth as SCP continues to make progress towards its financial goals. Approximately \$163,190,000 is set aside for operating reserves.

## **BUDGETARY COMPARISON SCHEDULE THROUGH DECEMBER 31, 2023, AND JANUARY 31, 2024**

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 less than 1% at the end of the reporting period. The cost of electricity is less than the budget-to-date by approximately 12%. 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**

- December 2023 Financial Statements
- January 2024 Financial Statements

### **UPCOMING MEETINGS**

- Community Advisory Committee - March 21, 2024
- Board of Directors - April 4, 2024
- Community Advisory Committee - April 11, 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 December 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  
January 29, 2024

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of December 31, 2023

### ASSETS

#### Current assets

Cash and cash equivalents	\$ 75,056,722
Accounts receivable, net of allowance	23,954,992
Other receivables	2,178,942
Accrued revenue	15,745,992
Prepaid expenses	914,806
Deposits	10,211,706
Investments	112,994,988
Total current assets	241,058,148

#### Noncurrent assets

Other receivables	1,140,421
Land	860,520
Capital assets, net of depreciation	16,955,727
Deposits	846,256
Total noncurrent assets	19,802,924
Total assets	260,861,072

### LIABILITIES

#### Current liabilities

Accrued cost of electricity	10,808,159
Accounts payable	1,037,897
Advances from grantors	2,837,681
Supplier security deposits	804,000
Other accrued liabilities	957,832
User taxes and energy surcharges due to other governments	752,051
Total current liabilities	17,197,620

#### Noncurrent liabilities

Supplier security deposits	2,205,121
Total liabilities	19,402,741

### NET POSITION

Investment in capital assets	17,811,631
Unrestricted	223,646,700
Total net position	\$ 241,458,331

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**Six Months Ended December 31, 2023**

**OPERATING REVENUES**

Electricity sales, net	\$ 144,234,095
Evergreen electricity premium	1,279,298
Grant revenue	668,100
Total operating revenues	<u>146,181,493</u>

**OPERATING EXPENSES**

Cost of electricity	96,923,751
Contract services	4,199,737
Staff compensation	3,816,817
Program rebates and incentives	2,212,731
Other operating expenses	1,194,431
Depreciation	694,308
Total operating expenses	<u>109,041,775</u>
Operating income	<u>37,139,718</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest and investment returns	3,458,768
Nonoperating revenues (expenses), net	<u>3,458,768</u>

**CHANGE IN NET POSITION**

	40,598,486
Net position at beginning of year	<u>200,859,845</u>
Net position at end of period	<u><u>\$ 241,458,331</u></u>

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS Six Months Ended December 31, 2023

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 145,386,058
Receipts from grantors	432,505
Other operating receipts	1,491,135
Payments to electricity suppliers	(98,736,577)
Payments for other goods and services	(5,579,896)
Payments of staff compensation	(3,769,434)
Tax and surcharge payments to other governments	(1,763,032)
Payments for program rebates and incentives	(2,567,553)
Deposits and collateral paid	<u>(1,350,000)</u>
Net cash provided (used) by operating activities	<u>33,543,206</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(119,200)</u>
------------------------------------	------------------

### CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	3,277,161
Proceeds from certificates of deposit matured	50,000,000
Purchase of investments	<u>(77,095,231)</u>
Net cash provided (used) by investing activities	<u>(23,818,070)</u>

Net change in cash and cash equivalents	9,605,936
Cash and cash equivalents at beginning of year	<u>65,450,786</u>
Cash and cash equivalents at end of period	<u>\$ 75,056,722</u>

### SUPPLEMENTAL CASH FLOW INFORMATION

Capital acquisitions included in accounts payable and other liabilities	\$ 4,616
---	----------

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS

(Continued)

Six Months Ended December 31, 2023

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

Operating income (loss)	\$ 37,139,718
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	694,308
(Increase) decrease in:	
Accounts receivable, net	1,213,518
Other receivables	340,648
Accrued revenue	(3,136,157)
Prepaid expenses	559,001
Deposits	(1,422,649)
Increase (decrease) in:	
Accrued cost of electricity	(4,296,161)
Accounts payable	24,759
Advances from grantors	(237,001)
Accrued liabilities	2,164,750
User taxes due to other governments	32,272
Supplier security deposits	466,200
Net cash provided (used) by operating activities	<u>\$ 33,543,206</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 December 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  
January 29, 2024



**SONOMA CLEAN POWER AUTHORITY  
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND**

**Six Months Ended December 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
<b>REVENUE AND OTHER SOURCES:</b>						
Electricity (net of allowance) *	\$ 150,266,474	\$ 144,184,714	\$ (6,081,760)	96%	\$ 243,952,000	\$ 99,767,286
Evergreen Premium (net of allowance)	1,449,419	1,279,298	(170,121)	88%	2,689,000	1,409,702
CEC Grant	450,000	431,099	(18,901)	96%	470,000	38,901
Investment returns	1,590,000	3,458,768	1,868,768	218%	3,540,000	81,232
Miscellaneous Income	1,028,836	286,382	(742,454)	28%	2,058,000	1,771,618
Total revenue and other sources	154,784,729	149,640,261	(5,144,468)	97%	252,709,000	103,068,739
<b>EXPENDITURES AND OTHER USES:</b>						
<b>CURRENT EXPENDITURES</b>						
Cost of energy and scheduling	111,136,970	96,923,751	(14,213,219)	87%	193,762,000	96,838,249
Data management	1,340,000	1,246,980	(93,020)	93%	2,680,000	1,433,020
Service fees- PG&E	495,000	493,408	(1,592)	100%	990,000	496,592
Personnel	4,044,000	3,816,817	(227,183)	94%	8,346,000	4,529,183
Energy Center, marketing & communications	1,533,289	1,165,969	(367,320)	76%	3,061,000	1,895,031
Customer service	145,500	79,192	(66,308)	54%	220,000	140,808
General and administration	652,445	680,506	28,061	104%	1,360,000	679,494
Legal	237,500	58,379	(179,121)	25%	475,000	416,621
Regulatory and compliance	230,000	174,805	(55,195)	76%	460,000	285,195
Accounting	181,270	164,270	(17,000)	91%	309,000	144,730
Legislative	110,000	48,000	(62,000)	44%	220,000	172,000
Other consultants	318,100	114,584	(203,516)	36%	624,000	509,416
Industry memberships and dues	395,483	348,818	(46,665)	88%	695,000	346,182
Program implementation	3,191,114	1,791,167	(1,399,947)	56%	8,101,000	6,309,833
Program - CEC grant	1,380,500	1,240,821	(139,679)	90%	1,712,000	471,179
Total current expenditures	125,391,171	108,347,467	(17,043,704)	86%	223,015,000	114,667,533
<b>OTHER USES</b>						
Capital outlay	300,000	115,194	(184,806)	38%	600,000	484,806
Total expenditures, other uses	125,691,171	108,462,661	(17,228,510)	86%	223,615,000	115,152,339
Net increase (decrease) in available fund balance	\$ 29,093,558	\$ 41,177,600	\$ 12,084,042		\$ 29,094,000	\$ (12,083,600)
<i>* Represents sales of approximately 1,064,000 MWh for 2023/24 YTD actual.</i>						
<b>RESERVES</b>						
Operating Reserve (as of June 30, 2023)	\$ 163,190,000	\$ 171,080,000	95%			

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

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 41,177,600
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(694,308)
Add back capital asset acquisitions	<u>115,194</u>
Change in net position	<u><u>\$ 40,598,486</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 January 31, 2024, 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  
February 26, 2024

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of January 31, 2024

### ASSETS

#### Current assets

Cash and cash equivalents	\$ 58,363,766
Accounts receivable, net of allowance	23,664,489
Other receivables	2,183,836
Accrued revenue	13,774,515
Prepaid expenses	934,729
Deposits	10,198,054
Investments	138,134,998
Total current assets	247,254,387

#### Noncurrent assets

Other receivables	1,124,355
Land	1,195,405
Capital assets, net of depreciation	17,860,843
Deposits	846,256
Total noncurrent assets	21,026,859
Total assets	268,281,246

### LIABILITIES

#### Current liabilities

Accrued cost of electricity	8,862,204
Accounts payable	1,095,965
Advances from grantors	2,765,734
Other accrued liabilities	966,483
User taxes and energy surcharges due to other governments	681,689
Supplier security deposits	804,000
Total current liabilities	15,176,075

#### Noncurrent liabilities

Supplier security deposits	2,205,121
Total liabilities	17,381,196

### NET POSITION

Investment in capital assets	19,050,477
Unrestricted	231,849,573
Total net position	\$ 250,900,050

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**Seven Months Ended January 31, 2024**

**OPERATING REVENUES**

Electricity sales, net	\$ 167,776,683
Evergreen electricity premium	1,514,137
Grant revenue	740,047
Total operating revenues	<u>170,030,867</u>

**OPERATING EXPENSES**

Cost of electricity	110,706,430
Contract services	4,830,922
Staff compensation	4,561,296
Program rebates and incentives	2,457,048
Other operating expenses	1,387,394
Depreciation	809,493
Total operating expenses	<u>124,752,583</u>
Operating income	<u>45,278,284</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest and investment returns	4,761,921
Nonoperating revenues (expenses), net	<u>4,761,921</u>

**CHANGE IN NET POSITION**

	50,040,205
Net position at beginning of year	<u>200,859,845</u>
Net position at end of period	<u><u>\$ 250,900,050</u></u>

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS Seven Months Ended January 31, 2024

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 171,747,629
Receipts from grantors	432,506
Other operating receipts	1,560,124
Payments to electricity suppliers	(114,458,475)
Payments for other goods and services	(6,303,589)
Payments of staff compensation	(4,583,645)
Tax and surcharge payments to other governments	(2,155,558)
Payments for program rebates and incentives	(2,934,218)
Deposits and collateral paid	(1,350,000)
Net cash provided (used) by operating activities	<u>41,954,774</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(1,465,061)</u>
------------------------------------	--------------------

### CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	3,423,267
Proceeds from certificates of deposit matured	50,000,000
Purchase of investments	(101,000,000)
Net cash provided (used) by investing activities	<u>(47,576,733)</u>

Net change in cash and cash equivalents	(7,087,020)
Cash and cash equivalents at beginning of year	<u>65,450,786</u>
Cash and cash equivalents at end of period	<u>\$ 58,363,766</u>

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS

(Continued)

Seven Months Ended January 31, 2024

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

Operating income (loss)	\$ 45,278,284
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	809,493
(Increase) decrease in:	
Accounts receivable, net	1,504,021
Other receivables	273,956
Accrued revenue	(1,164,680)
Prepaid expenses	539,078
Deposits	(1,408,997)
Increase (decrease) in:	
Accrued cost of electricity	(5,414,017)
Accounts payable	81,672
Advances from grantors	(308,948)
Accrued liabilities	1,336,802
User taxes due to other governments	(38,090)
Supplier security deposits	466,200
Net cash provided (used) by operating activities	<u>\$ 41,954,774</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 January 31, 2024, 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  
February 26, 2024



**SONOMA CLEAN POWER AUTHORITY**  
**BUDGETARY COMPARISON SCHEDULE - OPERATING FUND**  
**Seven Months Ended January 31, 2024**

	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
<b>REVENUE AND OTHER SOURCES:</b>						
Electricity (net of allowance) *	\$ 167,940,876	\$ 167,726,976	\$ (213,900)	100%	\$ 243,952,000	\$ 76,225,024
Evergreen Premium (net of allowance)	1,680,218	1,514,137	(166,081)	90%	2,689,000	1,174,863
CEC Grant	460,000	431,099	(28,901)	94%	470,000	38,901
Investment returns	1,900,000	4,761,921	2,861,921	251%	3,540,000	(1,221,921)
Miscellaneous Income	1,200,309	358,655	(841,654)	30%	2,058,000	1,699,345
Total revenue and other sources	173,181,403	174,792,788	1,611,385	101%	252,709,000	77,916,212
<b>EXPENDITURES AND OTHER USES:</b>						
<b>CURRENT EXPENDITURES</b>						
Cost of energy and scheduling	126,322,149	110,706,430	(15,615,719)	88%	193,762,000	83,055,570
Data management	1,563,333	1,463,113	(100,220)	94%	2,680,000	1,216,887
Service fees- PG&E	577,500	574,527	(2,973)	99%	990,000	415,473
Personnel	4,761,000	4,561,296	(199,704)	96%	8,346,000	3,784,704
Energy Center, marketing & communications	1,787,837	1,278,275	(509,562)	71%	3,061,000	1,782,725
Customer service	150,500	85,524	(64,976)	57%	220,000	134,476
General and administration	762,991	810,284	47,293	106%	1,360,000	549,716
Legal	277,083	70,877	(206,206)	26%	475,000	404,123
Regulatory and compliance	268,333	215,634	(52,699)	80%	460,000	244,366
Accounting	202,620	184,410	(18,210)	91%	309,000	124,590
Legislative	128,333	56,000	(72,333)	44%	220,000	164,000
Other consultants	369,117	122,863	(246,254)	33%	624,000	501,137
Industry memberships and dues	445,433	395,595	(49,838)	89%	695,000	299,405
Program implementation	4,025,570	2,136,884	(1,888,686)	53%	8,101,000	5,964,116
Program - CEC grant	1,546,000	1,281,378	(264,622)	83%	1,712,000	430,622
Total current expenditures	143,187,799	123,943,090	(19,244,709)	87%	223,015,000	99,071,910
<b>OTHER USES</b>						
Capital outlay	350,000	1,456,888	1,106,888	416%	600,000	(856,888)
Total expenditures, other uses	143,537,799	125,399,978	(18,137,821)	87%	223,615,000	98,215,022
Net increase (decrease) in available fund balance	\$ 29,643,604	\$ 49,392,810	\$ 19,749,206		\$ 29,094,000	\$ (20,298,810)
<i>* Represents sales of approximately 1,263,000 MWh for 2023/24 YTD actual.</i>						
<b>RESERVES</b>						
Operating Reserve (as of June 30, 2023)	\$ 163,190,000	\$ 171,080,000	95%			

**SONOMA CLEAN POWER AUTHORITY**  
**BUDGETARY COMPARISON SCHEDULE - OPERATING FUND (CONTINUED)**  
**RECONCILIATION OF NET INCREASE IN AVAILABLE FUND BALANCE**  
**TO CHANGE IN NET POSITION**  
**Seven Months Ended January 31, 2024**

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 49,392,810
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(809,493)
Add back capital asset acquisitions	<u>1,456,888</u>
Change in net position	<u><u>\$ 50,040,205</u></u>



## Staff Report - Item 08

---

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

**From:** Neal Reardon, Director of Regulatory Affairs  
Miles Horton, Legislative Policy & Community Engagement Manager  
Geof Syphers, Chief Executive Officer

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

**Date:** March 7, 2024

---

### Requested Action

Receive legislative and regulatory updates and provide direction as appropriate.

### Regulatory Updates

#### CPUC Adopts Final Decision on Integrated Resource Plans

On February 15th, the California Public Utilities Commission adopted Decision D.24-02-047 adopting the 2023 Preferred System Plan and addressing individual Integrated Resource Plans (IRPs) submitted by load serving entities (LSEs). California policy continues to be as aggressive as possible to reduce GHG emissions as soon as possible, adopting a collective portfolio of generation resources that reduces emissions by 58% between 2020 and 2035.

Individual IRPs were submitted on or about November 1, 2022, and were evaluated using a scorecard system, with three general scores: "deficient", "adequate", and "exemplary". These plans included a narrative describing progress and expected future procurement, along with two data templates to demonstrate achievement of sufficient resources to meet reliability needs and GHG reduction benchmarks. This year, special emphasis was placed on the impacts on disadvantaged communities ("DACs"). LSEs described the DACs they serve or the impacts they have on DACs as a result of system power or other power with local pollutants or GHG emissions. LSEs were to provide detailed activities and programs focusing on DACs including procurement opportunities, affordability programs, transportation and building electrification, energy efficiency, demand response, residential solar, outreach

programs, education and training programs, recruiting and hiring, and others. Sonoma Clean Power's IRP submittal was accepted as adequate, with CPUC staff marking our plan's generation portfolio and focus on disadvantaged communities as "exemplary."

This Decision concludes with a recommendation that the California Independent System Operator ("CAISO") use the adopted Preferred System Plan as a basis for evaluating future transmission needs in their 2024-2025 Transmission Planning Process.

### **CPUC Approves PG&E settlement with Safety Division Over Dixie Fire**

In a 3-2 vote, the CPUC approved a settlement agreement between PG&E and the CPUC's Safety Division over the utility's role in the deadly Dixie fire which burned nearly a million acres and caused over a billion dollars in damage. PG&E agreed to pay a \$45 million monetary penalty consisting of \$2.5 million to the California State General Fund, \$2.5 million to tribes impacted by the Dixie Fire, and \$40 million in disallowances. Commissioners Shiroma and Houck were unhappy with the insufficient information provided to their questions from November when this item first appeared on the agenda – they could not conclude whether the ACO was reasonable in light of the facts. As a result, they did not vote in support of the settlement. All Commissioners expressed frustration at the settlement here, principally that an un-litigated process would not bring all disputed facts to light.

### **Legislative Update**

Senator Mike McGuire (D-Healdsburg) took over as President Pro Tempore (leader) of the state Senate on February 5. He kept several key committee chairs in place, including Senator Steven Bradford (D-Gardena) atop the Energy, Utilities and Communications Committee and Senator Ben Allen (D-Santa Monica) atop the Environmental Quality Committee, which deals with climate change and permitting, siting, and environmental regulatory issues generally. Other notable appointments included tapping Senator Anna Caballero (D-Merced) to lead the Appropriations Committee and Senator Scott Wiener (D-San Francisco) to lead the Budget & Fiscal Review Committee.

On February 16, Governor Newsom appointed Matt Baker, head of the Public Advocates Office at the Public Utilities Commission, to serve as a member of the Commission itself.

## **Bill Introductions**

There was a total of 2,124 new bills introduced in advance of the February 16 deadline this year (1,505 in the Assembly and 619 in the Senate). Roughly one-third are placeholder bills that are awaiting more fleshed-out language.

### **Existing Legislative Positions**

- **AB 817 (Pacheco) - Subsidiary body open meetings rules - Support**

Authorizes subsidiaries of a legislative body (such as Sonoma Clean Power's Community Advisory Committee) to meet via teleconference, through 2025. The support position carries over from 2023.

- **AB 1999 (Irwin) - Income-Graduated Fixed Charge Repeal**

Would repeal the Public Utilities Commission's authorization to impose an Income-Graduated Fixed Charge on customers and instead restore previous fixed charge caps of \$10 (non-CARE customers) and \$5 (CARE customers) per billing cycle. Sonoma Clean Power supports this legislation's intent to hit pause on any new income-graduated fixed charge in the immediate term, while allowing future proposals that may have merit to move through the normal legislative process.

Various legislators have introduced roughly a half-dozen other bills on this topic, but AB 1999 remains the most prominent. Senator Bradford, chair of the Senate Energy, Utilities and Communications Committee, has introduced SB 1292, which appears to be a placeholder that he can modify depending on the results of the relevant proceeding at the Public Utilities Commission later this year.

SCP's Board and staff have expressed strong concerns with the existing Income-Graduated Fixed Charge policy because of the negative impacts on working families, those who have invested in solar and energy efficiency, those living in multifamily housing, and concerns about the large subsidies to wealthy families with large inefficient homes.

- **SB 537 (Becker) - Public Meeting Teleconference - Support**

Currently on the Inactive File in the Assembly but could move forward in the coming year. Would allow multijurisdictional, cross county legislative bodies to use alternate teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. Requires a multijurisdictional legislative body to provide a record of attendance on its internet website within seven days after a

teleconference meeting along with immunocompromisation in the list of health exemptions from previous legislation. The support position carries over from 2023.

### **Proposed New Legislative Positions**

- **AB 1912 (Pacheco) - Third-party review of new electricity programs - Watch**

Would direct that the University of California prepare a written analysis of any legislation imposing a mandated program or requirement on investor-owned electric utilities or their customers, before that legislation can be heard in committee. This is similar to the existing California Health Benefits Review Program for new health care mandates.

- **AB 2054 (Bauer-Kahan) - Conflicts of interest - Watch**

Would prohibit retiring members of the Energy Commission or Public Utilities Commission from working for entities subject to regulation by those Commissions for a period of ten years (up from two under current law).

- **AB 2292 (Petrie-Norris) - Transmission - Watch**

Current law requires the Public Utilities Commission to consider cost-effective alternatives to new transmission facilities as part of determining whether to approve those projects. This bill would repeal that requirement in order to advance faster transmission buildout, but could allow utilities to increase costs significantly.

- **AB 2847 (Addis) - Investor-owned utility cost recovery - Watch**

Would improve transparency around investor-owned utility cost recovery (for example, by requiring the Public Utilities Commission to require utilities to produce all relevant supporting documents and calculations).

- **AB 2940 (Muratsuchi) - Transmission environmental review - Watch**

Environmental leadership projects would be granted expedited judicial review when challenged in court under the California Environmental Quality Act. This legislation would designate all new transmission projects as environmental leadership projects, with the associated benefits.

- **AB 3181 (Pellerin) - Electric outages - Watch**

Should one or more customers served by an electrical distribution circuit experience four or more outages in a year, this legislation would require the investor-owned utility that owns that circuit to perform a full review of that circuit's functionality and make upgrades or improvements as needed.

- **AB 3238 (Garcia) - Electric infrastructure streamlining - Watch**

This bill would make various changes to speed up the development of electric infrastructure such as new generation or transmission lines, including making the Public Utilities Commission lead agency under the California Environmental Quality Act for all such projects and the sole permitting and siting authority for "necessary" electric infrastructure projects.

- **SB 938 (Min) - Utility lobbying efforts - Watch**

Would close various loopholes in the existing prohibition on investor-owned utilities using ratepayer funds for political or lobbying activities. (For example, current law allows utilities to use ratepayer funds for association membership dues that can then be used for lobbying by the association.)

- **SB 1003 (Dodd) - Wildfire prevention activities - Watch**

This bill aims to revise the regulatory framework around utility risk reduction by adding consideration of how long risk reduction projects will take to be completed, not just how much they will reduce risk after completion. The goal is to require discussion as to whether a project that reduces risk entirely or almost entirely but may take years or decades to complete is necessarily the best option.

- **SB 1006 (Padilla) - Transmission - Watch**

Would require the Public Utilities Commission to develop a more sophisticated plan and reporting structure to ensure that the state is on track to build enough transmission to meet its climate goals.

- **SB 1165 (Padilla) - Transmission - Watch**

Similar to AB 3238, this bill would make various changes to speed up transmission deployment, including making it easier to qualify transmission projects as environmental leadership projects.

- **SB 1210 (Skinner) - Housing interconnection - Watch**

Would require that utilities prioritize interconnection of new housing to the grid over all other interconnection requests, and cap interconnection costs for new housing developments.

- **SB 1305 (Stern) - Virtual power plants - Oppose Unless Amended**

Virtual power plants are aggregations of behind-the-meter resources that can be used to manage demand. For example, if the grid is strained during a hot summer evening, a load-serving entity could activate a virtual power plant (say, by directing several thousand behind-the-meter batteries to discharge, or by remotely turning down several thousand smart home appliances to reduce demand) in lieu of firing up a traditional power plant to add supply.

One of the most successful Virtual Power Plants is SCP's GridSavvy program.

This legislation, which is sponsored by virtual power plant developer OhmConnect, would require that all load-serving entities procure an increasing amount of their resource adequacy from virtual power plants over the years to come, culminating in 15% by 2035. Staff believe this is premature for several reasons:

1. The rules for qualifying demand response programs for Resource Adequacy are still unfinished, so mandating procurement of a resource that is not clearly defined is inappropriate;
2. Since cost-effective peak load reduction is the goal, this bill would mandate one particular solution to meeting a goal that has many solutions. By narrowly focusing on only one option, this would drive up rates; and
3. This bill would remove the SCP Board's authority to make decisions about procurement and transfer that power to the CPUC to require specified procurement that may not meet the goals of the SCP Board of Directors.

The bill could instead be amended to clarify current law regarding virtual power plants' ability to provide resource adequacy in the first place. That is still unclear, and an explicit authorization to use virtual power plants as resource adequacy could help load-serving entities like Sonoma Clean Power use virtual power plants most effectively.



## **State Budget**

Governor Newsom released his initial proposed 2024-25 state budget on January 10. This will be heavily negotiated with the Legislature and revised significantly in the Governor's own "May Revise" (an updated version of his budget proposal released in May, based on the most current revenue numbers), before a final version is enacted on or before the June 15 deadline. Historically, large portions of the budget – especially in the climate and energy realm – have been passed in placeholder form to meet the deadline and then more fully fleshed out in August.

The Governor's January budget anticipated a roughly \$39 billion deficit. (The Legislative Analyst's Office had previously projected a larger \$68 billion deficit.) The Governor proposes to fill that deficit through a mix of withdrawals from reserves, deferrals and cost shifts, new revenues, and – most significantly – spending cuts. Climate and energy funding would be reduced 7%, to a total \$48 billion spread over the next seven fiscal years. (Previously, this spending had been spread over six years, and had been cut 3% in last year's final budget.) The Governor's office has said they expect about \$10 billion in new federal climate funding to help blunt the impact of the cuts. Because the future commitments are non-binding and the Governor will not be in office for much of that time, his proposal raises the question of whether a future Governor will continue to prioritize those commitments.

Further cuts (or restorations) are possible later in the budget process, depending on the revenue outlook. Unfortunately, revenues since the Governor released his January budget proposal have come in significantly lower than hoped, meaning that the deficit could ultimately be larger than he is projecting (though that is not guaranteed, as it depends on revenue numbers over the next few months). The potential impacts of revenue decreases on the budget deficit are not one-to-one and depend on a variety of factors, notably formula-driven spending changes (most significantly Prop. 98 education spending adjustments). Nevertheless, the Legislative Analyst's Office is now projecting that state revenues will be \$24 billion lower than they anticipated at the time the Governor released his budget. That would translate to a roughly \$15 billion increase in the state budget deficit.

Further cuts to climate and energy funding also could increase the odds for a climate or natural resources bond measure appearing on the November ballot to help restore state priorities in this area that had been cut. However, other legislators are pushing housing and school facilities bonds, that could eat into the size of or crowd out an environmental bond measure. Assemblymember Rick Zbur (D-Hollywood) has

also introduced AB 2208, a \$1 billion bond proposal for port upgrades related to offshore wind deployment that could be incorporated into a later climate bond. Details remain to be determined.

### **CalCCA Lobby Day**

Sonoma Clean Power CEO Geof Syphers, along with contract lobbyist Kate Brandenburg and staff Miles Horton, attended CalCCA's lobby day in the State Capitol on March 21. Along with representatives of other CCAs throughout the state, they met with the following leaders:

- Senator Brian Dahle (R-Bieber), Vice Chair of the Energy, Utilities and Communications Committee
- Senator Bill Dodd (D-Napa)
- Assemblymember Cecilia Aguiar-Curry (D-Winters)
- Assemblymember Damon Connolly (D-San Rafael)
- Assemblymember Jim Wood (D-Healdsburg)
- Grant Mack with the office of Governor Gavin Newsom
- Susan Chan & Chase Hopkins with the office of Assembly Speaker Rivas

Nidia Bautista with the Senate Energy, Utilities and Communications Co



## Staff Report - Item 9

---

**To:** Sonoma Clean Power Authority Board of Directors  
**From:** Geof Syphers, Chief Executive Officer  
**Issue:** Approve Sonoma Clean Power Authority's Updated Legislative Platform  
**Date:** March 7, 2024

---

### Requested Action

Approve the attached updates to SCP's Legislative Platform.

### Background

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

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

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

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

## Discussion of Proposed Changes

The biggest proposed changes to the 2023 Legislative Platform involve consolidating and rearranging certain sections to improve clarity and ease of reading.

The substantive proposed changes are as follows:

- In the second paragraph of Section 2, regarding local government oversight and procurement authority, add verbiage about opposing the expansion of direct access as well as direct access providers' ability to selectively recruit customers. This is similar to language in some other CCAs' policy platforms and seeks to prevent "cherry picking" lucrative customers out of SCP's customer base, thereby driving up costs for all remaining customers.
- In the first paragraph of Section 3, regarding leadership on climate issues, add that SCP supports climate *adaptation* efforts. This recognizes that cutting greenhouse gas emissions is not sufficient, and that our region needs to take decisive action to protect the public from fires, floods, drought, extreme temperatures, etc.
- In that same section, add that SCP should protect disadvantaged communities and support an equitable approach to the energy transition.
- Add the first bullet point of Section 3 to clarify that SCP supports the buildout of clean infrastructure on the schedule needed to meet California's ambitious climate goals, as well as accurate tracking and reporting on progress toward those goals. This reflects a growing recognition that clean infrastructure is not currently growing at the rate needed to achieve economy-wide carbon neutrality (including 100% carbon-free electricity) by the state's target date of 2045. More legislative action will likely be necessary to meet those goals and catalyze faster deployment of clean energy.

## Fiscal Impact

No direct fiscal impact.

## Attachments

- Attachment A - Proposed 2024 SCP Legislative Platform, available at this link or by request to the Clerk of the Board.
- Attachment B - Proposed 2024 SCP Legislative Platform (redline from 2023), available at this link or by request to the Clerk of the Board.



## **2024 LEGISLATIVE POLICY PLATFORM**

Sonoma Clean Power supports legislation that protects and supports Community Choice Aggregators (CCAs) and their customers within the State of California, as well as legislation that advances solutions to our ongoing climate crisis. Sonoma Clean Power's legislative efforts are guided by the following principles:

### **1. Protect Customers and Support Strong Markets & Local Power**

Support legislation that minimizes total customer costs, provides transparency into the Power Charge Indifference Adjustment and other nonbypassable charges, and fairly allocates costs among customer classes.

Support strong energy markets to ensure that customers have access to the least cost clean energy available. Support legislation that properly values local resources, such as customer-owned renewable generation and batteries.

### **2. Defend Local Government Oversight and Procurement Authority**

Defend the obligations and authority of CCAs' local governing Boards of Directors to make decisions about sources of electricity, resource adequacy, customer programs, and distributed energy resources, among other issues.

Support legislation which makes operating CCAs simpler and less expensive, and oppose unnecessary administrative burdens on CCAs. Support legislation that enhances customer access to accurate information, and oppose efforts with the potential to confuse or mislead customers. Oppose legislation that expands direct access or creates new incentives or authority for electric service providers to selectively recruit customers.

### **3. Lead on Climate and Renewable Sources**

Support the decrease in the use of fossil fuels in the electric power sector by all available means, including through increasing use of renewable power,

energy efficiency, load management and energy storage. Support accurate reporting and labeling of greenhouse gas emissions, and oppose efforts to mischaracterize emissions. Support climate adaptation efforts. Protect disadvantaged communities and support an equitable approach to the energy transition. These efforts include:

- **Accelerating Climate Solutions**

Support efforts to deploy key infrastructure needed to meet state and local climate goals more quickly, including legislation aimed at improving regulatory and permitting processes for new generation, transmission, and more. Support improved tracking and accounting of progress toward statutory goals. Oppose efforts to erect new barriers to the deployment of clean infrastructure.

- **Supporting Electrification and Efficiency Improvements in Buildings**

Support fuel shifting from natural gas, propane and wood to electricity in buildings. Support building standards and retrofit funding for targeted energy efficiency to reduce building energy usage, particularly at times-of-day and seasons when emissions or costs are high. Support efforts to go beyond “zero net energy” and refocus energy code requirements on emissions.

- **Advancing Transportation Electrification**

Support legislation that provides incentives for electric vehicles and funding for charging stations, CCA access to low-carbon fuel standard credits, CCA management of infrastructure funds in cooperation with other local agencies, and the promotion of electric vehicles and electric transit.

- **Improving Energy Resilience**

Support legislation that reduces the risk and severity of grid-started fires, reduces the need for large-scale and long-term public safety power shutoffs, reduces the need for frequent fast-trip shutoffs, or removes impediments to the development of local clean power microgrids. Support customer and public entity rights to build and operate microgrids and supports microgrid financing, grants, and

streamlined authorizations and permitting. Advocate for clean energy backup power systems, and for solutions that safeguard our local economy from blackouts and prioritize solutions for medical facilities, schools, government operations and vulnerable populations.

- **Advancing Geothermal Power**

Support legislation that aids in the funding, permitting, construction and operation of new geothermal power facilities and oppose legislation that limits the potential for new geothermal power.



## **2024 LEGISLATIVE POLICY PLATFORM**

Sonoma Clean Power supports legislation that protects and supports Community Choice Aggregators (CCAs) and their customers within the State of California, as well as legislation that advances solutions to our ongoing climate crisis. Sonoma Clean Power's legislative efforts are guided by the following principles:

### **1. Customer Equity, Rates and Nonbypassable Charges Protect Customers and Support Strong Markets & Local Power**

Support legislation that minimizes total customer costs, provides transparency into the Power Charge Indifference Adjustment and all other nonbypassable charges, and fairly allocates costs among customer classes, and minimizes total customer costs.

**1:** Support strong energy markets to ensure that customers have access to the least cost clean energy available. Support legislation that properly values local resources, such as customer-owned renewable generation and batteries.

### **2. Procurement Obligation and Defend Local Government Oversight and Procurement Authority**

Defend the obligations and authority of CCA's' local governing Boards of Directors to make decisions about sources of electricity, resource adequacy, customer programs, and distributed energy resources, among other issues.

**2:** Support legislation which makes operating CCAs simpler and less expensive, and oppose unnecessary administrative burdens on CCAs. Support legislation that enhances customer access to accurate information, and oppose legislation which efforts with the potential to confuses or misleads customers. Oppose legislation that expands direct access or creates new incentives or authority for electric service providers to selectively recruit customers.



### 3. **Lead on Climate and Renewable Sources**

Support the decrease in the use of fossil fuels in the electric power sector by all available means, including through increasing use of renewable power, energy efficiency, load management and energy storage. Support accurate reporting and labeling of greenhouse gas emissions, and oppose efforts to mischaracterize emissions. Support climate adaptation efforts. Protect disadvantaged communities and support an equitable approach to the energy transition. These efforts include:

### **Strong Markets and Local Power**

~~Support strong energy markets to ensure customers have access to the least cost clean energy available. Support legislation that properly values local resources, such as customer-owned renewable generation and batteries.~~

#### **• Accelerating Climate Solutions**

**4.** Support efforts to deploy key infrastructure needed to meet state and local climate goals more quickly, including legislation aimed at improving regulatory and permitting processes for new generation, transmission, and more. Support improved tracking and accounting of progress toward statutory goals. Oppose efforts to erect new barriers to the deployment of clean infrastructure.

#### **5. Supporting Electrification and Efficiency of Improvements in Buildings**

Support fuel shifting from natural gas, propane and wood to electricity in buildings. Support building standards and retrofit funding for targeted energy efficiency to reduce building energy usage, particularly at times-of-day and seasons when emissions or costs are high. Support efforts to go beyond “zero net energy” and refocus energy code requirements on emissions.

#### **6. Advancing Transportation Electrification**

Support legislation that provides incentives for electric vehicles and funding for charging stations, CCA access to low-carbon fuel standard

credits, CCA management of infrastructure funds in cooperation with other local agencies, and the promotion of electric vehicles and electric transit.

## **7. Operational Efficiency and Customer Transparency**

~~Support legislation which makes operating CCAs simpler and less expensive, and oppose unnecessary administrative burdens on CCAs. Support legislation that enhances customer access to accurate information, and oppose legislation which confuses or misleads customers.~~

## **8. Improving Energy Resilience**

Support legislation that reduces the risk and severity of grid-started fires, reduces the need for large-scale and long-term public safety power shutoffs, reduces the need for frequent fast-trip shutoffs, or removes impediments to the development of local clean power microgrids, supports. Support customer and public entity rights to build and operate microgrids and supports microgrid financing, grants, and streamlined authorizations and permitting. Advocate for clean energy backup power systems, and for solutions that safeguard our local economy from blackouts and ~~which~~ prioritize solutions for medical facilities, schools, government operations and vulnerable populations.

## **9. Advancing Geothermal Power**

Support legislation ~~and regulations~~ that aids in the funding, permitting, construction and operation of new geothermal power facilities and oppose legislation that limits the potential for new geothermal power.



**Staff Report - Item 10**

---

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

**From: Brytann Busick, Marketing and Events Manager**  
**Kate Kelly, Director of Public Relations and Marketing**

**Issue: Receive an Update on Sonoma Clean Power Authority's Community Support**

**Date: March 7, 2024**

---

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

Page intentionally left blank for double-sided printing



## Staff Report - Item 11

---

**To:** Sonoma Clean Power Authority Board of Directors  
**From:** Scott Salyer, Programs Manager  
Rebecca Simonson, Director of Programs  
**Issue:** Receive Agricultural Community Needs Assessment Final Report  
**Date:** March 7, 2024

---

### Staff Recommendation

Receive and file the final report for the Agricultural Community Needs Assessment.

### Background

In 2023, Sonoma Clean Power began conducting needs assessments in the key areas of transportation & mobility, residential energy use & resiliency, commercial energy use & resiliency, and agricultural energy use.

Our community needs assessment process aims to understand the values, needs, and priorities of SCP's communities to shape future program offerings effectively.

SCP partnered with Tierra Resource Consultants for the Agricultural Community Needs Assessment. We also partnered with Sacramento Municipal Utility District for the residential and commercial interests, and EVNoire for transportation and mobility and those needs assessments will be presented separately.

### Discussion

SCP began working with Tierra Resource Consultants in early 2023 to better understand the needs of the agricultural community in our service territory and uncover how we can best support their energy and climate goals. Between March and May 2023, interviews were conducted with 23 agricultural sector customers and organizations in Sonoma and Mendocino counties. The participants represented diverse sectors, such as dairy, wine, livestock, crop production, cannabis, and fruit.

In May 2023, an email was sent to SCP's agricultural customers inviting them to participate in an online survey, resulting in 65 responses. These efforts, combined with

an in-depth literature review and market research, informed the needs assessment, and led to the findings and recommendations in Attachment A.

Among the concerns expressed by this community, the most prominent were time and money constraints, high labor costs, water availability, and climate change impacts. This research also suggests that while awareness of energy programs and efforts is high among local agencies and advocacy organizations, it's lower among the broader agricultural customer base. Overall, this study found that there is a strong need for more programs targeted at the agricultural community, and that a lack of unbiased technical support is preventing many customers from taking on energy upgrade and efficiency projects.

The assessment's recommendations are included below. These are presented, along with methods and findings, in much greater detail in the attached report.

#### Report Recommendations

- Recommendation #1: Conduct near-term follow-up research and engagement with key local market actors.
- Recommendation #2: Develop a strategy for ongoing and long-term engagement with key partners.
- Recommendation #3: Develop technical support resources and establish SCP as the customer's "energy expert" in the marketplace.
- Recommendation #4: Conduct a detailed benefit-cost analysis of agricultural customer demand-side management measures and programs.
- Recommendation #5: Prepare a modeling tool for estimating the load shape and cost impacts of an integrated suite of agricultural customer energy measures.
- Recommendation #6: Develop a comprehensive agricultural sector single point of contact resource program.
- Recommendation #7: Develop a program focused on the water-energy nexus.
- Recommendation #8: Develop and deploy targeted demonstrations and pilot projects.
- Recommendation #9: Form a farm implement electrification consortium or collaborative for manufacturers and product distributors.

- Recommendation #10: Develop a program designed to assist with tackling the farmworker housing shortage.
- Recommendation #11: Provide market support for electric farm equipment and battery-electric tractor charging.

### **Attachments**

- Attachment A – Agricultural Community Needs Assessment Final Report, available at [this link](#), or by request to the Clerk of the Board.

Page intentionally left blank for double-sided printing





## **Staff Report - Item 12**

---

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

**From:** Mike Koszalka, Chief Operating Officer  
Geof Syphers, Chief Executive Officer  
Chris Golik, Revenue Manager

**Issue:** Approve the Proposed Budget Adjustments for Fiscal Year 2023-2024

**Date:** March 7, 2024

---

### **Recommendation**

Approve the proposed budget adjustments to the Fiscal Year 2023-2024 Budget as detailed in Table A of this report.

### **Background**

SCP commonly brings a mid-year budget adjustment to the Board to account for changes in energy prices, actual customer energy usage, customer participation rates, bank interest rates, and regulatory decisions relating to the Power Charge Indifference Adjustment (PCIA) and utility retail rates. The current Sonoma Clean Power Authority budget for July 2023 through June 2024 was adopted on May 4, 2023.

PG&E updated the PCIA as well as their generation and delivery rates on January 1, 2024. SCP generation rates were then updated February 1, 2024, so that SCP customer total electric bills have a target of 7% below PG&E's bundled service total electric bills.

SCP reached its long-term financial reserves target between July and August 2023 about nine months ahead of the ten-year goal. This was a positive development that created the opportunity to enhance SCP customer savings, limit the scale and risk of rate increases over the next two years, and make investments in local energy projects that have the potential to generate income to offset customer rates far into the future.

The Sonoma Clean Power Board of Directors voted on November 2, 2023, in favor of setting rates based on costs while allocating the excess ratepayer collections above SCP's reserve target as of January 1, 2024, accordingly:

- **60% to rate reductions in 2024 and 2025**

Return 60% of excess reserves to ratepayers in 2024 and 2025 in the form of rate reductions such that the savings relative to PG&E's bundled customers is expected to be about the same in both calendar years of 2024 and 2025 based on then-current regulatory filings and known market information. Reset all rate classes so SCP collects sufficient revenues to cover all current costs net of the reserve overcollection, and such that customer total bills have an equal target percentage difference from PG&E's bundled service total bills.

- **30% to establish a local investment fund**

The purpose of the fund is to lower customer rates over time by investing in long-term assets to lower SCP's energy expenditures or generate revenues to offset customer rates. Specific investments will be brought to the Board for approval in later meetings prior to commitment.

- **10% for customer incentives in 2024 and 2025**

Details on such incentives will be proposed and approved by the Board in a future meeting, but staff are contemplating proposing incentives that are exclusively or primarily geared toward low-income or disadvantaged customers in response to Board input in past meetings.

## **Discussion**

The proposed budget adjustments are shown in Table A. The budget categories are intentionally general enough to allow some measure of staff discretion, without requiring frequent budget adjustments. Additional detail on the most significant changes is provided here:

### Revenues

As a result of achieving its long-term financial reserves target, SCP was able to increase total electric bill savings for customers from between 4% and 5% up to a target of 7% for both calendar years of 2024 and 2025. The proposed electricity sales adjustment reflects the rate setting and allocation of excess ratepayer collections above SCP's reserve target that the Board approved on November 2, 2023.

The adjustment to CEC Grant Proceeds represents an increase in the expected consulting fees that the CEC will reimburse to SCP.

Investment Returns are projected to be significantly higher than the original budget due to high interest rates that have persisted throughout the fiscal year.

### Cost of Energy

Year-to-date, the cost of energy has been under budget by 13%. This was primarily due to the lack of severe weather event between July 2023 and December 2023. The cost of energy is currently expected to be 4% below budget for the total fiscal year based on the latest projections of market cost.

### Energy Center, Marketing & Communications

The adjustment to Energy Center, Marketing & Communications represents increased community partnerships, events, and efforts related to a 10-year retrospective.

### General and Administrative

The proposed funding increase reflects software and equipment, including battery optimization software. It also includes updated timing for the reclassification of rent for the Advanced Energy Center to the General and Administrative section, which the CEC grant previously captured.

### Capital Outlay

The adjustment to Capital Outlay reflects the purchase of the office building adjacent to SCP's business office.

## **Fiscal Impact**

These budget adjustments reflect a net increase in Fund Balance of \$71,294,000 for the fiscal year 2023-2024, up \$42,200,000 from the original budget of \$29,094,000.

## **Community Advisory Committee Review**

The Committee recommended that the Board approve the proposed budget adjustments to the Fiscal Year 2023-2024 Budget at their meeting on February 15, 2024.

## **Attachments**

- Table A - FY23-24 Budget Adjustment

# Table A

	Approved Budget FY23-24	Proposed Adjustment FY23-24	Revised Budget FY23-24	Comments
<b>REVENUES &amp; OTHER SOURCES</b>				
Electricity Sales (net of allowance)	\$ 243,952,000	\$ 32,042,000	\$ 275,994,000	SCP customer savings target of 7% on total electric bills as of February 1, 2024
EverGreen Premium (net of allowance)	2,689,000	-	2,689,000	
CEC Grant Proceeds	470,000	432,000	902,000	Consulting fees to be reimbursed through CEC grant
Miscellaneous Income	2,058,000	-	2,058,000	
Investment Returns	3,540,000	4,119,000	7,659,000	Sustained high interest rates
<b>Total Revenues</b>	<b>252,709,000</b>	<b>36,593,000</b>	<b>289,302,000</b>	
<b>EXPENDITURES</b>				
<b>Product</b>				
Cost of Energy & Scheduling	193,762,000	(7,302,000)	186,460,000	Updated outlook for market cost of energy
Data Management	2,680,000	-	2,680,000	
Service Fees to PG&E	990,000	-	990,000	
<b>Product Subtotal</b>	<b>197,432,000</b>	<b>(7,302,000)</b>	<b>190,130,000</b>	
<b>Personnel</b>				
	<b>8,346,000</b>	-	<b>8,346,000</b>	
<b>Energy Center, Mktg &amp; Comm</b>				
	<b>3,061,000</b>	<b>240,000</b>	<b>3,301,000</b>	Increased community partnerships, events, and 10 year retrospective
<b>Customer Service</b>				
	<b>220,000</b>	-	<b>220,000</b>	
<b>General &amp; Administration</b>				
	<b>1,360,000</b>	<b>155,000</b>	<b>1,515,000</b>	Increased software, equipment, and reclassification of AEC rent when CEC grant ends
<b>Other Professional Services</b>				
Legal	475,000	-	475,000	
Regulatory & Compliance	460,000	-	460,000	
Accounting	309,000	-	309,000	
Legislative	220,000	-	220,000	
Other Consultants	624,000	-	624,000	
<b>Other Professional Services Subtotal</b>	<b>2,088,000</b>	-	<b>2,088,000</b>	

# Table A

	Approved Budget FY23-24	Proposed Adjustment FY23-24	Revised Budget FY23-24	Comments
<b>EXPENDITURES – continued</b>				
Industry Memberships & Dues	695,000	-	695,000	
<b>Programs</b>				
Program Implementation	8,101,000	-	8,101,000	
CEC Grant Program	1,712,000	-	1,712,000	
Programs Subtotal	9,813,000	-	9,813,000	
<b>Total Expenditures</b>	<b>223,015,000</b>	<b>(6,907,000)</b>	<b>216,108,000</b>	
<b>Revenues Less Expenditures</b>	<b>29,694,000</b>	<b>43,500,000</b>	<b>73,194,000</b>	
<b>OTHER USES</b>				
Capital Outlay	600,000	1,300,000	1,900,000	Building purchase
<b>Total Expenditures, Other Uses</b>	<b>223,615,000</b>	<b>(5,607,000)</b>	<b>218,008,000</b>	
<b>Net Increase/(Decrease) in Fund Balance</b>	<b>\$ 29,094,000</b>	<b>\$ 42,200,000</b>	<b>\$ 71,294,000</b>	