



**AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, DECEMBER 5, 2024, 9:00 A.M.**

EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 54953(F), MEMBERS OF THE BOARD OF DIRECTORS MAY PARTICIPATE IN THE DECEMBER 5, 2024, MEETING AT ANY OF THE LOCATIONS SHOWN BELOW.

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

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

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

Webinar link: <https://us06web.zoom.us/j/88546704126>

Telephone number: 1 (669) 444-9171

Meeting ID: 885 4670 4126

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. For detailed public comment instructions, [please visit this page](#). Please note that live remote public comment will not be taken unless required by Government Code section 54953(f). If required, it will be announced by the Chair. Members of the public should attend in person or provide written comment to ensure they can provide public comment.

For written comments, state the agenda item number that you are commenting on and limit to 300 words. Written comments received prior to the meeting and/or the agenda item you wish to comment on will be read into the record up to 300 words. Written comments may be provided during the meeting.

DISABLED ACCOMMODATION: If you have a disability which requires an accommodation or an alternative format, please contact the Clerk of the Board at (707) 757-9417, or by email at meetings@sonomacleanpower.org as soon as possible to ensure arrangements for accommodation.

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

Staff recommendations are guidelines to the Board. On any item, the Board may take action which varies from that recommended by staff.

CALL TO ORDER (Any private remote meeting attendance will be noticed or approved at this time)

BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve November 7, 2024, Draft Board of Directors Meeting Minutes (Staff Recommendation: Approve) **pg. 5**
2. Approve Resolution 2024-06 Adopting an Amended Conflict-of-Interest Code Pursuant to the Political Reform Act of 1974 (Staff Recommendation: Approve) **pg. 13)**
3. Approve Revisions to the Net Billing Tarriff (Staff Recommendation: Approve) **pg. 17)**
4. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. 27)**
5. Approve and Delegate Authority to the Chief Executive Officer or His Designee to Execute a Legal Services Agreement with Best Best & Krieger LLP in the Amount Not-To-Exceed of \$275,000 through December 31, 2027 (Staff Recommendation: Approve) **pg. 29)**
6. Approve Proposed Scope of Work and Terms and Conditions, and Delegate Authority to the Chief Executive Officer to Negotiate Minor Revisions and Execute Contract with the California Energy Commission for Virtual Power Plant Approaches for Flexibility Grant Committing \$1,091,000 in Sonoma Clean Power Match Funds Over Four Years (Staff Recommendation: Approve) **pg. 31)**
7. Approve and Delegate Authority to the Chief Executive Officer or His Designee to Execute an Agreement for Lobbying Services with the Brandenburg Group in the Amount Not-To-Exceed of \$108,000 through December 31, 2025 (Staff Recommendation: Approve) **pg. 35)**

BOARD OF DIRECTORS REGULAR CALENDAR

8. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. 37**
9. Receive Legislative and Regulatory Updates, Approve Legislative Positions, and Provide Direction as Appropriate (Staff Recommendation: Approve) **pg. 51)**
10. Accept the Independent Report for the Financial Statements from Fiscal Years Ending June 30, 2023, and June 30, 2024 (Staff Recommendation: Approve) **pg. 55)**
11. Approve the Parameters for Customer Rate Reductions Following Changes to Distribution Utility Rates and Fees on or After January 1, 2025, and Amendments to Financial Policy B.2 (Staff Recommendation: Approve) **pg 57)**
12. Review Strategic Action Plan and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. 63**
13. Adopt a Resolution 2024-07 Calling for a Credible and Definitive Plan to Close the Diablo Canyon Nuclear Power Plant by 2030 (Staff Recommendation: Approve) **pg. 71)**
14. Receive Presentation and Provide Input on a Draft Policy on Selecting Energy Projects (Staff Recommendation: Receive and File) **pg. 75)**

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 not 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.

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**DRAFT MEETING MINUTES
BOARD OF DIRECTORS MEETING
THURSDAY, NOVEMBER 7, 2024
9:00 A.M.**

CALL TO ORDER

(9:03 a.m. - Video Time Stamp: 00:02:15)

Vice Chair Barnacle called the meeting to order.

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

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Garth Salisbury, Chief Financial Officer; Stephanie Reynolds, Director of Internal Operations; Sean Dalton, Events Manager; Felicia Smith, Director of Programs; Kate Kelly, Director of Public Relations and Marketing; Miles Horton, Legislative Policy & Community Engagement Manager; Claudia Sisomphou, Public Affairs and Advocacy Manager; and Josh Nelson, Special Counsel.

BOARD OF DIRECTORS CONSENT CALENDAR

(9:05 a.m. - Video Time Stamp: 00:04:32)

1. Approve October 3, 2024, Draft Board of Directors Meeting Minutes
2. Approve the Board of Directors Meeting Dates for the 2025 Calendar Year
3. Approve the Updated Financial Policy B.5 - Investments
4. Approve Resolution 2024-04 Attesting to the Accuracy of Sonoma Clean Power Authority's 2023 Power Source Disclosure Annual Reports for CleanStart, EverGreen Products, and the 2023 Power Content Label
5. Receive Geothermal Opportunity Zone Update

6. Approve Resolution 2024-05 Authorizing Investment of Monies in the Local Agency Investment Fund

Public Comment: Michael Allen discussed the recent election.

Motion to approve the November 7, 2024, Board of Directors Consent Calendar by Director Zollman

Second: Director Lands

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

ABSENT: Rogers, Hopkins

BOARD OF DIRECTORS REGULAR CALENDAR

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

(9:09 a.m. - Video Time Stamp: 00:08:37)

Michael Koszalka, Chief Operating Officer, announced the formation of the new Capital Projects & Engineering Department and Rebecca Simonson as the department's new Director. Stephanie Reynolds, Director of Internal Operations, discussed SCP's events season and had Sean Dalton, Events Manager, discuss upcoming events at the Customer Center. Felicia Smith, Director of Programs, discussed SCP being awarded the California Energy Commission (CEC) grant, Virtual Power Plant Flex, which will help low-income households take advantage of smart devices.

Vice Chair Barnacle asked when the grant would be rolled out and Director Smith answered either at the end of Quarter 1 or the beginning of Quarter 2 of 2025. Director Elward asked if SCP had reached out to the local black community for Kwanzaa events and Kate Kelly, Director of Public Relations and Marketing answered that SCP had reached out to the Black Chamber but would welcome any contacts the Board could give her.

Director Reynolds then discussed the quarterly investment report and financials. Director Smith then explained and shared SCP's Energy Savings Boxes with the Board.

Public Comment: None

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

(9:24 a.m. - Video Time Stamp: 00:23:24)

Neal Reardon, Director of Regulatory Affairs, discussed the CPUC opening proceedings to evaluate long-term gas system planning and he mentioned that the first workshop would be held on November 14, 2024. Director Reardon then discussed the Energy Resources Recovery Account (ERRA) Forecast Application which an administrative law judge ruled the utility's proposal to increase CCA customer rates by reducing the credit paid to them was rejected as out of scope. Miles Horton, Legislative Policy & Community Engagement Manager, mentioned that the Legislature is out of session, but he mentioned that SCP would be looking into geothermal transmission issues in the new session.

Vice Chair Barnacle stated that long-term gas planning would be very consequential in the future.

Public Comment: None

There were no legislative positions taken; therefore, no vote was necessary.

9. Receive Update on Sonoma Clean Power Authority's Tribal Engagement Efforts

(9:30 a.m. - Video Time Stamp: 00:29:52)

Claudia Sisomphou, Public Affairs and Advocacy Manager, stated that SCP has been prioritizing engagement with local native tribes and introduced Pamela Lopez of K St. Consulting who gave a presentation on SCP's tribal engagement strategies.

Director Elward stated that SCP should learn from past generations what to do and what not to do with local tribes. Director Farrar-Rivas asked if SCP was reaching out to unrecognized tribes and Ms. Lopez answered yes, but it can be difficult to define just who those tribes are. Director Gjerde asked if there were any tips for initiating discussions with tribal leadership and Ms. Lopez stated that it depends on the request, but she said that establishing a relationship is very important and should be done with co-sovereignty in mind. Director

Fudge discussed the Town of Windsor's tribal relations and pointed out mistakes to watch for because once the mistake is made, it is hard to correct.

Public Comment: None

10. Receive Presentation and Provide Input on Guidelines to Inform Drafting a Future Policy on Selecting Energy Projects

(10:05 a.m. - Video Time Stamp: 01:04:29)

Geof Syphers, CEO, gave a presentation on SCP's resource selection policy and asked the Board for input in drafting the new policy.

Director Zollman asked if SCP could speak to shared goals with local community agencies and CEO Syphers responded that there are many projects in the process with most being solar, but he added that the challenge is SCP needs projects that provide energy in the evening. Vice Chair Barnacle asked if SCP had been abiding by similar policies and CEO Syphers responded that he would like to see higher standards but stated that this is the beginning stage. Vice Chair Barnacle then asked if SCP's transmission study would show where plants should be built and CEO Syphers responded it eventually would help with that question. Director Farrar-Rivas asked if there was a priority order for the recommendations and CEO Syphers responded that feedback from the Board would determine priority, but also that there are tradeoffs between the priorities. Director Lemus asked if there was a way for CCAs to have their own guidelines and CEO Syphers responded that the current trend is with the CPUC issuing procurement orders. Director Gjerde stated that it is important for SCP to remain flexible. Director Elward asked how SCP was going to work with local labor and CEO Syphers responded that SCP is increasingly reaching out to local labor groups. Director Farrar-Rivas stated she would like to look at the overall landscape of choices together and see other CCAs scopes side by side.

Public Comment: Tim Frank, Jack Buckhorn, Woody Hastings, Stephanie Hall, and John McEntegart all expressed support for creating this policy. Local Allies, Leslie Austin, Eric Veium, and Max Bell Alpers' public comments were read into the record and are attached to these minutes.

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

(11:23 a.m. - Video Time Stamp: 02:22:37)

Vice Chair Barnacle mentioned this was Director Gjerde and Director Fudge's last meeting and CEO Syphers thanked them and presented each with a plaque. Vice Chair Barnacle mentioned that the Santa Rosa Junior College was opening a Construction Training Program and announced Petaluma would be holding its Veteran's Day Parade. Director Strong announced that Willits completed its solar project for its wastewater plant.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(11:34 a.m. - Video Time Stamp: 02:33:24)

Public Comment: None

ADJOURN

(11:34 a.m. - Video Time Stamp: 02:33:45)

The meeting was adjourned by unanimous consent.

Hello Darin,

I am writing on behalf of the Workforce & Environmental Justice Alliance regarding agenda Item 10 for the Sonoma Clean Power Board Meeting on November 7, 2024. We wish to submit a public comment on the proposed guidelines for developing a policy on energy project selection.

Attached, please find the following documents for the SCP Board of Directors:

1. **Letter from the W&EJ Alliance** addressing Workforce & Environmental Justice standards under consideration.
2. ***Principles for Integrating Workforce & Environmental Justice Selection Criteria in Clean Energy Projects*** outlining key best practices.
3. ***SCP Project Selection Policy Guidelines Analysis*** highlighting and comparing differences between SCP staff's proposed language and the W&EJ Alliance policy.
4. ***CCA Workforce and Environmental Justice for Clean Energy Project Selection Criteria*** proposed policy language.

NOTE: We ask that our letter be read into the public record, thank you.

Please feel free to reach out if you have any questions or need additional information.

Best regards,

~Leslie Austin

Co-Coordinator, W&EJ Alliance

November 7, 2024

Chair Hopkins and Honorable Directors
Sonoma Clean Power
431 E Street
Santa Rosa, CA 95404

Re: Item 10, Support for Workforce and Environmental Justice Standards in SCP Policy

Chair Hopkins and Honorable Directors,

On behalf of North Bay Jobs with Justice (NBjwJ), we thank Sonoma Clean Power (SCP) for your ongoing efforts to build policies that strengthen workforce protections, community resilience, and environmental justice throughout Sonoma and neighboring counties. As a coalition of over 30 labor and community organizations rooted in Sonoma, Napa, and Marin, we recognize that SCP's mission-driven approach holds enormous potential to lead in supporting justice and equity within the clean energy economy.

As SCP deliberates on policies guiding workforce and environmental justice (W&EJ) standards, we urge you to adopt guidelines in alignment with the Workforce and Environmental Justice Alliance's Principles for Integrating Workforce & Environmental Justice Selection Criteria in Clean Energy Projects. This framework ensures that all energy projects SCP supports contribute to fair treatment and meaningful benefits for local workers and communities. Strong W&EJ standards set clear priorities for fair wages, workforce protections, and equitable community benefits, which are foundational to building a sustainable and just future in our region.

SCP's unique position as a mission-driven public agency allows it to set a powerful example for how clean energy projects can advance economic, racial, and environmental justice. We believe that adopting these standards will not only safeguard worker rights but also build resilience for frontline communities facing disproportionate impacts of climate change, including wildfire risks, drought, and floods.

We stand ready to support SCP in integrating these values into policy and would welcome further discussion with SCP leadership to ensure that our region's clean energy future benefits all workers and communities equitably. Thank you for your leadership in this important effort.

Sincerely,

Max Bell Alpers
Executive Director
North Bay Jobs with Justice

CEO Syphers,

I appreciate your thoughtful explanation of the guidelines during the meeting. It was helpful to hear your perspective and insights.

From a place of continuous improvement and effective collaboration, it would have been helpful to have connected ahead of the meeting to have heard and understood your meaning and perspective so that we could most fairly analyze and comment on your proposed guidelines. Naming your guidelines in the staff report to summarize your intent would also have been helpful.

While our analysis and recommendations still stand, I think we could have supported and reinforced more of your points and been more targeted in our analysis and recommendations.

We look forward to working together even more closely in this next phase of development to deliver a strong, complete, leadership project selection policy to the SCP Board that receives unanimous community support and board approval, that we can all be proud of, and that we can promote as industry standard.

Thank you.

Eric Veium

Co-Coordinator, CCA Workforce & EJ Alliance



Staff Report - Item 02

To: Sonoma Clean Power Authority Board of Directors
From: Darin Bartow, Clerk of the Board
Issue: Approve Resolution 2024-06 Adopting an Amended Conflict-of-Interest Code Pursuant to the Political Reform Act of 1974
Date: December 5, 2024

Recommendation

It is recommended that the Board of Directors adopt Resolution 2024-06 adopting the amended Conflict-of-Interest Code pursuant to the Political Reform Act of 1974.

Summary

Pursuant to Section 87306.5 of the Political Reform Act (the Act), the Fair Political Practices Commission (FPPC) directed the Authority to: (1) conduct a review of the Authority's Conflict of Interest Code (Code) to determine if a change in the Code was necessary; and (2) amend the Authority's Code pursuant to the Act, if necessary.

During the review process, staff found that updates and amendments to the Authority's Conflict-of-Interest Code are necessary. A redlined version of the proposed amended Code is attached.

Background

The Political Reform Act of 1974, Government Code Section 81000 et seq. (the Act), requires all public agencies to adopt and maintain a Conflict-of-Interest Code. The Act further requires that agencies regularly review and update their Codes as necessary when directed by the code-reviewing body or when change is necessitated by changed circumstances (Sections 87306 and 87306.5). The FPPC is the Authority's code-reviewing body and directed that the Code be reviewed as required under the Act. During this review, staff found that amendments to the Code are necessary.

Attached is a redlined version of the proposed amended Code showing the changes to be made to the Authority's Code to bring it current. The revisions are based on the need to include new positions that must be designated, revises titles of existing positions, and delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions.

Attachments

- Attachment 1 - Resolution 2024-06 Adopting the Conflict-of-Interest Code Amendment
- Attachment 2 - Legislative (redlined) version of proposed amended Conflict of Interest, available at [this link](#) or by request to the Clerk of the Board

RESOLUTION NO. 2024-06

RESOLUTION OF THE BOARD OF EDUCATION OF THE SONOMA CLEAN POWER AUTHORITY AMENDING THE CONFLICT OF INTEREST CODE PURSUANT TO THE POLITICAL REFORM ACT OF 1974

WHEREAS, the State of California enacted the Political Reform Act of 1974, Government Code Section 81000 et seq. (the "Act"), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the Sonoma Clean Power Authority (the "Authority") and requires all public agencies to adopt and promulgate a conflict of interest code; and

WHEREAS, the Board of Directors adopted a Conflict of Interest Code (the "Code") which was amended on October 1, 2022, in compliance with the Act; and

WHEREAS, subsequent changed circumstances within the Authority have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update the Authority's Code; and

WHEREAS, the potential penalties for violation of the provisions of the Act are substantial and may include criminal and civil liability, as well as equitable relief which could result in the Authority being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

WHEREAS, notice of the time and place of a public meeting on, and of consideration by the Board of Directors of, the proposed amended Code was provided each affected designated position and publicly posted for review at the offices of the Authority and establishing a 45-day comment period in compliance with Title 2 California Code of Regulations, section 18750(a)(3); and

WHEREAS, a public meeting was held upon the proposed amended Code at a regular meeting of the Board of Directors on December 5, 2024, at which all present were given an opportunity to be heard on the proposed amended Code.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto and shall be on file with the Clerk of the Board, with a complete copy of the Authority's Conflict of Interest Code and available to the public for inspection and copying;

BE IT FURTHER RESOLVED that the said amended Code shall be submitted to the Fair Political Practices Commission for approval and said Code shall become effective immediately after the Fair Political Practices Commission approves the proposed amended Code as submitted.

APPROVED AND ADOPTED this 5th day of December, 2024.

JURISDICTION	NAME	AYE	NO	ABSTAIN/ ABSENT
Cloverdale	Director Lands			
Cotati	Director Lemus			
Petaluma	Director Barnacle			
Rohnert Park	Director Elward			
Santa Rosa	Director Rogers			
Sebastopol	Director Zollman			
Sonoma	Director Farrar-Rivas			
Willits	Director Strong			
Windsor	Director Fudge			
County of Mendocino	Director Gjerde			
County of Sonoma	Director Hopkins			

In alphabetical order by jurisdiction

 Chief Executive Officer
 Sonoma Clean Power Authority

ATTEST:

 Clerk of the Board
 Sonoma Clean Power Authority



Staff Report - Item 03

To: Sonoma Clean Power Authority Board of Directors
From: Danielle McCants, Customer Operations Manger
Issue: Approve Revisions to the Net Billing Tariff
Date: December 5, 2024

Recommendation

Approve the revisions to the Net Billing Tariff.

Background

In October 2023, the Board of Directors approved the initial version of the Net Billing Tariff, designed to establish a billing mechanism and export rates for customers who interconnected an eligible renewable generating system after April 14, 2023. At that time, both SCP and the incumbent utility, PG&E, had only a high-level understanding of how the billing structure and plan would function in practice.

Discussion

As SCP has begun issuing bills to customers, several pain points have been identified. A significant issue is the upcoming process of performing an Export Credit Reversal "clawback", as outlined in Section 2g of the tariff. This process is anticipated to be a source of errors, leading to billing delays and negatively impacting the customer experience. Due to these challenges, we recommend removing this requirement to enhance accuracy, reduce delays, and improve overall customer satisfaction.

Community Advisory Committee Review

The proposed revisions to the Net Billing Tariff were recommended for approval to the Board of Directors at the November 21, 2024, meeting of the Community Advisory Committee.

Fiscal Impact

The fiscal impact of this change will vary depending on when customers are billed. However, it is expected to be minimal and should not significantly affect SCP's financial operations.

Attachments

- Attachment 1 - Redlined Net Billing Tariff
- Attachment 2 - Final Net Billing Tariff

Net Billing Tariff Solar Billing Plan

APPLICABILITY:	<p>This Net Billing Tariff (NBT) provides the billing mechanism by which customers can receive credit for self-generated renewable energy exported to the grid. The customer facing name Solar Billing Plan (SBP) is available to customers operating solar, wind, biomass, geothermal, or other renewable resources as defined by the California Energy Commission’s Renewables Portfolio Standard Eligibility Guidebook. The customer must participate in PG&E’s SBP (or successor) for non-generation services such as transmission and distribution. SCP’s SBP program applies to all PG&E SBP customers receiving electric generation services from SCP, including customers with battery storage, renewable fuel cells, or under future aggregated or virtual designs.</p> <p>New customers who apply to connect their solar system to the electric grid after April 14, 2023, will be enrolled on the Solar Billing Plan.</p>
TERRITORY:	<p>This tariff is available to active Sonoma Clean Power (SCP) customers located in SCP’s service territory, which includes the Cities of Cloverdale, Cotati, Fort Bragg, Petaluma, Point Arena, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Willits, the Town of Windsor, and the unincorporated areas of Sonoma County and Mendocino County (excludes the Cities of Healdsburg & Ukiah).</p>
RATES:	<p>All SCP rates charged under this schedule will be in accordance with the customer-generator’s CleanStart Rate Schedule (“OAS”). A customer-generator served under this schedule is responsible for all applicable SCP charges from its CleanStart Rate Schedule including energy and demand charges, EverGreen premium (for EverGreen customers), taxes, and surcharges. Charges or credits for energy (kWh) supplied or delivered to SCP will be based on usage in accordance with the customer CleanStart Rate Schedule and this Tariff.</p> <p>PG&E’s net billing tariffs, requirements, and rates still apply. SCP customers will continue to be subject to the terms, conditions, and billing procedures of PG&E for services other than electric generation.</p> <p>SCP rates and rate design, including the rates and rate design reflected in this Tariff, are subject to change from time to time. Customers should take this into consideration when making any long-term decisions based on rate structures that are currently in place.</p>
BILLING:	<p>For customer-generators taking service on the CleanStart Rate Schedule, any net monthly consumption or generation shall be valued as follows:</p>

1. Monthly Settlement of SCP Charges and/or Credits:

- a. "Net Electric Consumption" is defined as when customer energy usage exceeds generation during any billing cycle and shall be billed in accordance with applicable TOU period-specific rates/charges, as described in the CleanStart Rate Schedule and Rates.
- b. "Net Electric Generation" is defined as when customer energy generation exceeds usage during any billing TOU period and shall be credited in accordance with applicable TOU period-specific rates/charges, as described in the customer-generator's CleanStart Rate Schedule.
- c. "Imported Electricity" is defined as when a customer uses any metered energy supplied by SCP.
- d. "Exported Electricity" is defined as when a customer supplies any metered energy to the electric grid.
- e. "Exported Rates" are defined as the appropriate credit for any Exported Electricity, based on the sum of the applicable interval Energy Export Rate and any applicable credit surcharges.
- f. "Export Credit Balance" is defined as when a customer has excess export credits carried into the next month, or into the SCP Annual Cash-Out process.
- g. "EverGreen Premium" is defined as SCP's voluntary 100% renewable service. The EverGreen Premium is charged on all net consumption of energy during a billing cycle. It is not credited to customers for over-generation.
- h. Any charges due for Net Electric Consumption will be assessed in each monthly statement. If the customer's account has available credits from current or previous Net Electric Generation, these credits will be applied against usage charges first before any charges are assessed.
- i. Any excess Net Electric Generation credits will be tracked by SCP on the customer's bill as a credit and will be applied to future billing cycles within the same SCP Annual Cash Out period as defined below.
- j. Credit balances do not have any cash value except as defined in the Cash Out process below.

2. SCP Annual Cash Out and True-Up:

- a. Following the final date and bill for each customer's April billing cycle (if the customer does not have an April meter read, the prior or next available month will be used), SCP will initiate a True-Up of each customer account's balance. Any accrued credit balance will be reset to zero for the beginning of the next 12-month period.
- b. A review will be conducted for each customer's kilowatt-hour consumption and generation during the spring to spring annual true-up. If the customer's Exported Electricity is greater than their Imported Electricity during the

annual cash out period, the customer is eligible for a Cash Out payment at SCP's Net Surplus Compensation (NSC) rate.

- c. SCP's NSC rate will be updated each January for the remainder of the calendar year based on PG&E's average NSC for the previous calendar year. PG&E's NSC is set monthly at the rolling average of PG&E's default load aggregation point price from 7 a.m. to 5 p.m.
- d. The NSC rate is located on SCP's Rate Sheets displayed on its website at www.sonomacleanpower.org.
- e. NSC payments are subject to a cap of \$5,000 per account annually.
- f. Customers will receive NSC payments automatically, paid by check if they have \$200 or more in credits, to the customer's mailing address on their PG&E account. Credit balances of less than \$200 will instead be credited to the customer's new account balance.

If the cash out check is not cashed within 90 days of issuance, the payment will be canceled and reissued upon customer request. If cash out payments remain unclaimed, SCP will follow the requirements of Government Code Section 50050-50057 et. Seq. regarding the handling of unclaimed funds.

~~g. SCP will perform an Export Credit Reversal to avoid double-payment for exported electricity. The initial export credit will be reversed at the average Energy Export Credit rate. This will be charged against any Energy Credit Balance available, otherwise it will be charged against the NSC payment.~~

3. Transition from NEM to SBP Service

Customers transitioning from NEM to SBP service will have their current NEM escrow balance at time of transition to their SBP Export Credit Balance. Once transitioned to SBP service, only the SBP annual cash out process will be utilized as detailed above.

4. Customers Returning to PG&E Bundled Service and Account Closures:

- a. SCP customers with SBP service may opt out and return to PG&E bundled service at any time, subject to SCP and PG&E's terms and conditions for return to bundled service. Customers are advised that PG&E will perform a True-Up of their account for any PG&E charges at the time of return to PG&E bundled service.
- b. Customers returning to PG&E service or closing their PG&E account will have an SCP True-Up to determine if the customer is eligible for NSC. NSC will be paid automatically (if applicable) by check to the customer's PG&E mailing addresses unless another address is provided by the customer. There is no minimum threshold for receiving a NSC check, but the maximum NSC is \$5,000 and any credits above that will be forfeited.

TERMS AND
CONDITIONS:

Nothing in the Net Billing Tariff precludes or supersedes SCP's Terms and Conditions. SCP's Terms and Conditions can be found at sonomacleanpower.org/terms-and-conditions.

More information about SCP's Solar Billing Plan can be found online at sonomacleanpower.org/programs/sbp or by calling 1 (855) 202-2139.

 1 (855) 202-2139

 info@sonomacleanpower.org

 sonomacleanpower.org



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 info@sonomacleanpower.org

 sonomacleanpower.org



P.O. Box 1030, Santa Rosa, CA 95402

Net Billing Tariff Solar Billing Plan

- APPLICABILITY:** This Net Billing Tariff (NBT) provides the billing mechanism by which customers can receive credit for self-generated renewable energy exported to the grid. The customer facing name Solar Billing Plan (SBP) is available to customers operating solar, wind, biomass, geothermal, or other renewable resources as defined by the California Energy Commission's Renewables Portfolio Standard Eligibility Guidebook. The customer must participate in PG&E's SBP (or successor) for non-generation services such as transmission and distribution. SCP's SBP program applies to all PG&E SBP customers receiving electric generation services from SCP, including customers with battery storage, renewable fuel cells, or under future aggregated or virtual designs.
- New customers who apply to connect their solar system to the electric grid after April 14, 2023, will be enrolled on the Solar Billing Plan.
- TERRITORY:** This tariff is available to active Sonoma Clean Power (SCP) customers located in SCP's service territory, which includes the Cities of Cloverdale, Cotati, Fort Bragg, Petaluma, Point Arena, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Willits, the Town of Windsor, and the unincorporated areas of Sonoma County and Mendocino County (excludes the Cities of Healdsburg & Ukiah).
- RATES:** All SCP rates charged under this schedule will be in accordance with the customer-generator's CleanStart Rate Schedule ("OAS"). A customer-generator served under this schedule is responsible for all applicable SCP charges from its CleanStart Rate Schedule including energy and demand charges, EverGreen premium (for EverGreen customers), taxes, and surcharges. Charges or credits for energy (kWh) supplied or delivered to SCP will be based on usage in accordance with the customer CleanStart Rate Schedule and this Tariff.
- PG&E's net billing tariffs, requirements, and rates still apply. SCP customers will continue to be subject to the terms, conditions, and billing procedures of PG&E for services other than electric generation.
- SCP rates and rate design, including the rates and rate design reflected in this Tariff, are subject to change from time to time. Customers should take this into consideration when making any long-term decisions based on rate structures that are currently in place.
- BILLING:** For customer-generators taking service on the CleanStart Rate Schedule, any net monthly consumption or generation shall be valued as follows:

 1 (855) 202-2139

 info@sonomacleanpower.org

 [sonomacleanpower.org](https://www.sonomacleanpower.org)

1. Monthly Settlement of SCP Charges and/or Credits:

- a. "Net Electric Consumption" is defined as when customer energy usage exceeds generation during any billing cycle and shall be billed in accordance with applicable TOU period-specific rates/charges, as described in the CleanStart Rate Schedule and Rates.
- b. "Net Electric Generation" is defined as when customer energy generation exceeds usage during any billing TOU period and shall be credited in accordance with applicable TOU period-specific rates/charges, as described in the customer-generator's CleanStart Rate Schedule.
- c. "Imported Electricity" is defined as when a customer uses any metered energy supplied by SCP.
- d. "Exported Electricity" is defined as when a customer supplies any metered energy to the electric grid.
- e. "Exported Rates" are defined as the appropriate credit for any Exported Electricity, based on the sum of the applicable interval Energy Export Rate and any applicable credit surcharges.
- f. "Export Credit Balance" is defined as when a customer has excess export credits carried into the next month, or into the SCP Annual Cash-Out process.
- g. "EverGreen Premium" is defined as SCP's voluntary 100% renewable service. The EverGreen Premium is charged on all net consumption of energy during a billing cycle. It is not credited to customers for over-generation.
- h. Any charges due for Net Electric Consumption will be assessed in each monthly statement. If the customer's account has available credits from current or previous Net Electric Generation, these credits will be applied against usage charges first before any charges are assessed.
- i. Any excess Net Electric Generation credits will be tracked by SCP on the customer's bill as a credit and will be applied to future billing cycles within the same SCP Annual Cash Out period as defined below.
- j. Credit balances do not have any cash value except as defined in the Cash Out process below.

2. SCP Annual Cash Out and True-Up:

- a. Following the final date and bill for each customer's April billing cycle (if the customer does not have an April meter read, the prior or next available month will be used), SCP will initiate a True-Up of each customer account's balance. Any accrued credit balance will be reset to zero for the beginning of the next 12-month period.
- b. A review will be conducted for each customer's kilowatt-hour consumption and generation during the spring to spring annual true-up. If the customer's Exported Electricity is greater than their Imported Electricity during the

annual cash out period, the customer is eligible for a Cash Out payment at SCP's Net Surplus Compensation (NSC) rate.

- c. SCP's NSC rate will be updated each January for the remainder of the calendar year based on PG&E's average NSC for the previous calendar year. PG&E's NSC is set monthly at the rolling average of PG&E's default load aggregation point price from 7 a.m. to 5 p.m.
- d. The NSC rate is located on SCP's Rate Sheets displayed on its website at www.sonomacleanpower.org.
- e. NSC payments are subject to a cap of \$5,000 per account annually.
- f. Customers will receive NSC payments automatically, paid by check if they have \$200 or more in credits, to the customer's mailing address on their PG&E account. Credit balances of less than \$200 will instead be credited to the customer's new account balance.

If the cash out check is not cashed within 90 days of issuance, the payment will be canceled and reissued upon customer request. If cash out payments remain unclaimed, SCP will follow the requirements of Government Code Section 50050-50057 et. Seq. regarding the handling of unclaimed funds.

3. Transition from NEM to SBP Service

Customers transitioning from NEM to SBP service will have their current NEM escrow balance at time of transition to their SBP Export Credit Balance. Once transitioned to SBP service, only the SBP annual cash out process will be utilized as detailed above.

4. Customers Returning to PG&E Bundled Service and Account Closures:

- a. SCP customers with SBP service may opt out and return to PG&E bundled service at any time, subject to SCP and PG&E's terms and conditions for return to bundled service. Customers are advised that PG&E will perform a True-Up of their account for any PG&E charges at the time of return to PG&E bundled service.
- b. Customers returning to PG&E service or closing their PG&E account will have an SCP True-Up to determine if the customer is eligible for NSC. NSC will be paid automatically (if applicable) by check to the customer's PG&E mailing addresses unless another address is provided by the customer. There is no minimum threshold for receiving a NSC check, but the maximum NSC is \$5,000 and any credits above that will be forfeited.

TERMS AND
CONDITIONS:

Nothing in the Net Billing Tariff precludes or supersedes SCP's Terms and Conditions. SCP's Terms and Conditions can be found at sonomacleanpower.org/terms-and-conditions.

More information about SCP's Solar Billing Plan can be found online at sonomacleanpower.org/programs/sbp or by calling 1 (855) 202-2139.

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Staff Report - Item 04

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
Claudia Sisomphou, Public Affairs & Advocacy Manager

Issue: Receive Geothermal Opportunity Zone Update

Date: December 5, 2024

Background

The Geothermal Opportunity Zone (GeoZone) is SCP's initiative to secure affordable, reliable clean energy for our customers by building 600 megawatts of new geothermal power capacity in Sonoma and Mendocino Counties. This will enable 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>.

No Substantive Updates - Placeholder for Discussion

Staff have no substantive updates to share on the GeoZone, but are preserving the GeoZone item on the consent agenda as an opportunity for the Board or public to request discussion. By the next meeting, staff expects to have more information on the ramifications of the 2024 election on the GeoZone, as well as updates on the 2025 legislative platform and news on project progress from GeoZone partners.

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Staff Report - Item 05

To: Sonoma Clean Power Authority Board of Directors

From: Geof Syphers, Chief Executive Officer

Issue: Approve and Delegate Authority to the Chief Executive Officer or His Designee to Execute a Legal Services Agreement with Best Best & Krieger LLP in the Amount Not-To-Exceed of \$275,000 through December 31, 2027

Date: December 5, 2024

Requested Action

Staff requests that the Board of Directors approve and delegate authority to the Chief Executive Officer or his designee to execute a Legal Services Agreement with Best Best & Krieger LLP with a not-to-exceed budget of \$275,000 through December 31, 2027.

Background

Sonoma Clean Power utilizes several firms for its legal service needs. This includes Best Best & Krieger LLP, which currently provides Special Counsel services to Sonoma Clean Power. Special Counsel performs many functions provided by other agencies' county counsel, city attorney, or general counsel, including attending Board of Directors meetings and providing advice on Brown Act and similar transparency laws. SCP uses different counsel for specialized energy and other regulatory matters.

Special Counsel serves at the pleasure of the Board of Directors. Over the years, Sonoma Clean Power has utilized different models for this role, including an in-house counsel. Since 2020, BB&K has served in this function with Harriet Steiner acting as the named Special Counsel until mid-2021 when Josh Nelson assumed this role.

Discussion

Historically, SCP has entered into annual agreements with BB&K for Special Counsel services. This item approves the agreement for a proposed three-year term through

December 31, 2027. This agreement would remain terminable by SCP at its election with written notice.

Community Advisory Committee Review

The Community Advisory Committee recommended the Board of Directors approve and delegate authority to the chief executive officer or his designee to execute a legal services agreement with Best Best & Krieger LLP in the amount not-to-exceed of \$275,000 through December 31, 2027, at the November 21, 2024, Committee meeting.

Fiscal Impact

The total proposed not-to-exceed amount for the agreement is \$275,000 but BB&K has generally been under \$50,000 per year. BB&K is requesting a rate increase this year, but the agreement allows the CEO to approve inflationary or similar rate adjustments in future years at his discretion.

Attachments

- Draft Legal Services Agreement with Best Best & Krieger LLP, available at [this link](#) or by request from the Clerk of the Board.



Staff Report - Item 06

To: Sonoma Clean Power Authority Board of Directors

From: Felicia Smith, Director of Programs
Carolyn Glanton, Program Operations Manager

Issue: Approve Proposed Scope of Work and Terms and Conditions, and Delegate Authority to the Chief Executive Officer to Negotiate Minor Revisions and Execute Contract with the California Energy Commission for Virtual Power Plant Approaches for Flexibility Grant Committing \$1,091,000 in Sonoma Clean Power Match Funds Over Four Years

Date: December 5, 2024

Recommendation

Approve proposed scope of work and terms and conditions, and delegate authority to the CEO to negotiate minor revision and execute contract with the California Energy Commission's (CEC) Electric Program Investment Charge (EPIC) for Virtual Power Plant Approaches for Flexibility (VPP-FLEX) grant contract committing \$1,091,000 in SCP match funding over four years.

Background

On June 6, 2024, the SCP Board of Directors was provided an overview of the California Energy Commission's Electric Program Investment Charge (EPIC) for Virtual Power Plant Approaches for Flexibility (VPP-FLEX) grant opportunity and provided feedback on the proposed project that prioritizes demand response in low-income and disadvantaged communities. Inclusive of the Board's feedback, SCP's VPP-FLEX application was selected and awarded \$4,995,640 in grant funding on October 4, 2024. SCP proposed \$1,091,000 in match funding over four years towards the total grant budget.

Discussion

The objective of the VPP-FLEX grant is to fund demonstrations of community-based virtual power plant approaches. SCP's approved project focuses on equity,

expanding automated smart devices in GridSavvy Rewards in low-income and disadvantaged communities (DACs). To date, participation from low-income and DACs remains very limited for SCP's GridSavvy smart device options due to factors such as lack of awareness, time, money, and empowerment, especially among renters. To address these barriers, this project will strategically target the deployment of smart devices for DACs, low-income, multifamily, and affordable housing, prioritizing simplicity, affordability, and accessibility. The project will consist of:

- Demonstration of smart panels with battery storage in a multifamily affordable housing complex in southeast Santa Rosa.
- Direct Install of smart thermostats for low-income customers. The goal is to install 1,000 smart thermostats.
- Incentivizing and integrating new smart devices (e.g. smart thermostats, electric vehicle charging, battery storage, heat pump water heaters) in SCP's existing GridSavvy Rewards program.
- Integrating small businesses in low-income and disadvantaged communities into GridSavvy Rewards.

SCP was awarded \$4,995,640 in grant funding, with an additional \$1,091,000 in matching funds committed by SCP, for a total of \$6,086,640 over a four-year contract term. SCP's match contribution will be funded through excess ratepayer collections as directed by the Board on November 2, 2023.

SCP's VPP-FLEX grant contract will be reviewed and approved by the California Energy Commission tentatively scheduled for their February Business Meeting. Following approval by both the SCP Board of Directors and the CEC, SCP staff anticipate launching the projects covered under the grant in the second quarter of 2025.

Fiscal Impact

The grant agreement with the California Energy Commission is for \$6,086,640, with a SCP match commitment of \$1,091,000. The match amount is within the Board approved FY24/25 budget that includes 10% excess ratepayer collections for customer incentives primarily geared towards low-income and disadvantaged communities.

Community Advisory Committee Review

The Committee is aware of the grant application and match commitment, however due to the expedited timeline for CEC approval, the scope of work and terms and conditions was not reviewed by the Committee.

Attachments

- Attachment 1 - Draft Scope of Work, available at [this link](#) or by request to the Clerk of the Board.
- Attachment 2 - Contract Terms and Conditions, available at [this link](#) or by request to the Clerk of the Board.
- Attachment 3 - Proposed Budget, available at [this link](#) or by request to the Clerk of the Board.

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Staff Report - Item 07

To: Sonoma Clean Power Authority Board of Directors

From: Geof Syphers, Chief Executive Officer
Miles Horton, Legislative Policy & Community Engagement Manager

Issue: Approve and Delegate Authority to the Chief Executive Officer or His Designee to Execute an Agreement for Lobbying Services with the Brandenburg Group in the Amount Not-To-Exceed of \$108,000 through December 31, 2025

Date: December 5, 2024

Requested Action

Staff requests that the Board of Directors approve and delegate authority to the Chief Executive Officer or his designee to execute an agreement for lobbying services with the Brandenburg Group with a not-to-exceed budget of \$108,000 (\$9,000 per month) from January 1, 2025, through December 31, 2025.

Background

Sonoma Clean Power employs a lobbyist, Kate Brandenburg, who is the sole proprietor of the Brandenburg Group. Her services consist of advice regarding relevant state legislative issues as well as representation before the state Legislature and state executive branch agencies.

All major CCAs in California employ lobbyists in Sacramento, given the number of issues related to energy affordability, climate change, the energy sector, and CCA's autonomy that move through the Legislature each year. The Brandenburg Group has represented Sonoma Clean Power in Sacramento for the majority of the agency's existence.

Over the past year, with the addition of in-house legislative affairs and state agency advocacy capacity, Sonoma Clean Power's presence in Sacramento has increased significantly. Examples of this activity include putting on Sonoma Clean Power's first-ever "lobby day" to meet with members of the Legislature (in addition to CalCCA's

regularly scheduled lobby day); sponsoring state legislation (Assembly Bill 1359) for the first time ever; and intervening and submitting comments in a wider array of forums, including the California Energy Commission and the California Air Resources Board. The Brandenburg Group has taken on a more significant workload on behalf of Sonoma Clean Power as a result. This trend promises to continue over the years to come.

Discussion

Historically, SCP has entered into annual agreements with the Brandenburg Group for lobbying services. This item approves a new agreement for a one-year term, through December 31, 2025. This agreement may be terminated by either party, without cause, upon thirty days' written notice.

Sonoma Clean Power has previously paid the Brandenburg Group a monthly retainer of \$8,000. This proposed agreement would raise that amount to \$9,000 per month, in light of the additional workload needed to support all of Sonoma Clean Power's new activities in Sacramento.

Fiscal Impact

Through this agreement, the Brandenburg Group will receive a non-refundable retainer of \$9,000 per month from Sonoma Clean Power.

Attachments

- Draft Letter of Engagement and Billing Policy agreement with Brandenburg Group, available at [this link](#) or by request from the Clerk of the Board.



Staff Report - Item 08

To: Sonoma Clean Power Authority Board of Directors

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

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

Date: December 5, 2024

PREPAYMENT TRANSACTION UPDATE

A short presentation to share the results of the pre-payment transaction will be provided by CFO Salisbury at the meeting.

CHANGES TO CUSTOMER CENTER HOURS

Since opening the Customer Center in 2021, SCP staff have tracked numbers of walk-in visitors. This data was analyzed and reviewed separate from visitors attending events to determine the traffic flow on each day and hour that the Center is open for business. Based on the results of the research, the Customer Center hours will be changing, starting December 3, 2024.

Current Hours	New Hours (12/3/24)
Tuesday-Friday 10am - 6pm	Tuesday - Friday 9am - 5pm
Saturdays 10am - 4pm	Saturdays 9am - 4pm

We will continue to track visitors and adjust operational hours as needed to better serve our customers.

MONTHLY COMPILED FINANCIAL STATEMENTS (September)

The year-to-date change in net position is more than projections by approximately \$21,162,000. Year-to-date revenue from electricity sales is over budget by approximately 12% and cost of energy is under budget projections by approximately 13%. Year-to-date electricity sales reached \$79,947,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$262,602,000, which indicates healthy growth as SCP continues to make progress towards its reserve goals. As of June 30, 2023, approximately \$163,190,000 has been set aside for operating reserves.

BUDGETARY COMPARISON SCHEDULE (September)

The accompanying budgetary comparison includes the 2024/25 amended 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, 2024/25 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 exceeded budget by approximately 12% at the end of the reporting period.

The cost of electricity was less than the budget-to-date by approximately 13%. Variation in this account is typically due to fluctuating market cost of energy on open position purchases.

Major operating categories of Data Management fees and PG&E Service fees are based on the customer account totals and are closely aligned to budget.

In addition to the items mentioned above, SCP continues its trend of remaining near or under budget for most of its operating expenses.

ATTACHMENTS

- September 2024 Financial Statements

UPCOMING MEETINGS

- Community Advisory Committee - December meeting cancelled
- Board of Directors - January meeting cancelled
- Community Advisory Committee - January 16, 2025
- Board of Directors - February 6, 2025



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Sonoma Clean Power Authority

Management is responsible for the accompanying Budgetary Comparison Schedule for the Operating Fund of Sonoma Clean Power Authority (a California Joint Powers Authority) for the period ended September 30, 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
November 5, 2024

**SONOMA CLEAN POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND
Three Months Ended September 30, 2024**

	2024/25 YTD Budget	2024/25 YTD Actual	2024/25 YTD Budget Variance (Under) Over	2024/25 YTD Actual / Budget %	2024/25 Budget	2024/25 Budget Remaining
REVENUE AND OTHER SOURCES:						
Electricity (net of allowance) *	\$ 70,690,582	\$ 79,166,530	\$ 8,475,948	112%	\$ 239,147,000	\$ 159,980,470
Evergreen Premium (net of allowance)	675,000	780,899	105,899	116%	2,700,000	1,919,101
Investment returns	1,800,000	4,544,112	2,744,112	252%	7,200,000	2,655,888
Miscellaneous Income	249,900	43,500	(206,400)	17%	1,000,000	956,500
Total revenue and other sources	<u>73,415,482</u>	<u>84,535,041</u>	<u>11,119,559</u>	<u>115%</u>	<u>250,047,000</u>	<u>165,511,959</u>
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	52,360,994	45,615,011	(6,745,983)	87%	221,586,000	175,970,989
Data management	670,000	670,899	899	100%	2,680,000	2,009,101
Service fees- PG&E	247,500	241,718	(5,782)	98%	990,000	748,282
Personnel	2,802,411	2,527,819	(274,592)	90%	11,490,000	8,962,181
Energy Center, marketing & communications	844,629	557,272	(287,357)	66%	3,379,000	2,821,728
Customer service	98,250	22,819	(75,431)	23%	220,000	197,181
General and administration	477,990	391,946	(86,044)	82%	1,832,000	1,440,054
Legal	118,750	33,138	(85,612)	28%	475,000	441,862
Regulatory and compliance	115,000	75,644	(39,356)	66%	460,000	384,356
Accounting	63,600	69,000	5,400	108%	312,000	243,000
Legislative	55,000	40,000	(15,000)	73%	220,000	180,000
Other consultants	137,850	132,901	(4,949)	96%	535,000	402,099
Industry memberships and dues	221,700	172,825	(48,875)	78%	888,000	715,175
Program implementation	2,763,646	543,636	(2,220,010)	20%	10,136,000	9,592,364
Total current expenditures	<u>60,977,320</u>	<u>51,094,628</u>	<u>(9,882,692)</u>	<u>84%</u>	<u>255,203,000</u>	<u>204,108,372</u>
OTHER USES						
Capital outlay	275,000	115,222	(159,778)	42%	1,150,000	1,034,778
Total expenditures, other uses	<u>61,252,320</u>	<u>51,209,850</u>	<u>(10,042,470)</u>	<u>84%</u>	<u>256,353,000</u>	<u>205,143,150</u>
Net increase (decrease) in available fund balance	<u>\$ 12,163,162</u>	<u>\$ 33,325,191</u>	<u>\$ 21,162,029</u>		<u>\$ (6,306,000)</u>	<u>\$ (39,631,191)</u>
<i>* Represents sales of approximately 534,000 MWh for 2024/25 YTD actual.</i>						
RESERVES						
Operating Reserve	<u>\$ 163,190,000</u>	<u>Long-Term Targeted</u>	<u>\$ 195,770,000</u>	<u>% of Long-Term Target</u>		
				<u>83%</u>		

SONOMA CLEAN POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND (CONTINUED)
RECONCILIATION OF NET INCREASE IN AVAILABLE FUND BALANCE
TO CHANGE IN NET POSITION
Three Months Ended September 30, 2024

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 33,325,191
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(357,239)
Add back capital asset acquisitions	<u>115,222</u>
Change in net position	<u><u>\$ 33,083,174</u></u>



ACCOUNTANTS' COMPILATION REPORT

Management
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of September 30, 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
November 5, 2024

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of September 30, 2024

ASSETS

Current assets	
Cash and cash equivalents - unrestricted	\$ 87,959,573
Cash and cash equivalents - restricted for grant purposes	2,382,376
Accounts receivable, net of allowance	22,396,339
Other receivables	2,238,794
Accrued revenue	14,176,402
Prepaid expenses	1,026,031
Deposits	160,218
Investments	109,830,850
Total current assets	<u>240,170,583</u>
Noncurrent assets	
Cash and cash equivalents	56,000,000
Investments	30,000,000
Other receivables	1,039,742
Deposits	16,256
Capital assets, net of depreciation	18,358,957
Total noncurrent assets	<u>105,414,955</u>
Total assets	<u>345,585,538</u>

LIABILITIES

Current liabilities	
Accrued cost of electricity	18,684,479
Accounts payable	1,861,121
Advances from grantors	2,382,376
Other accrued liabilities	1,670,948
User taxes and energy surcharges due to other governments	800,702
Supplier security deposits	204,000
Total current liabilities	<u>25,603,626</u>
Noncurrent liabilities	
Supplier security deposits	1,380,121
Total liabilities	<u>26,983,747</u>

DEFERRED INFLOWS OF RESOURCES

Rate Stabilization Fund	<u>56,000,000</u>
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NET POSITION

Investment in capital assets	18,358,957
Unrestricted	244,242,834
Total net position	<u>\$ 262,601,791</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Three Months Ended September 30, 2024

OPERATING REVENUES

Electricity sales, net	\$ 79,166,530
Evergreen electricity premium	780,899
Miscellaneous income	43,500
Total operating revenues	<u>79,990,929</u>

OPERATING EXPENSES

Cost of electricity	45,615,011
Contract services	1,931,822
Staff compensation	2,527,819
Program rebates and incentives	455,205
Other operating expenses	564,771
Depreciation	357,239
Total operating expenses	<u>51,451,867</u>
Operating income	<u>28,539,062</u>

NONOPERATING REVENUES (EXPENSES)

Investment income	<u>4,544,112</u>
Nonoperating revenues (expenses), net	<u>4,544,112</u>

CHANGE IN NET POSITION

	33,083,174
Net position at beginning of year	<u>229,518,617</u>
Net position at end of period	<u><u>\$ 262,601,791</u></u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS Three Months Ended September 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 81,518,029
Receipts of security deposits	2,729,879
Other operating receipts	387,603
Payments to electricity suppliers	(44,215,174)
Payments for other goods and services	(1,837,578)
Payments of staff compensation	(2,490,525)
Payments of tax and surcharges to other governments	(896,824)
Payments for program rebates and incentives	(439,824)
Net cash provided (used) by operating activities	<u>34,755,586</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(130,723)</u>
------------------------------------	------------------

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	5,033,961
Proceeds from certificates of deposit matured	89,000,000
Purchase of investments	<u>(52,000,000)</u>
Net cash provided (used) by investing activities	<u>42,033,961</u>

Net change in cash and cash equivalents	76,658,824
Cash and cash equivalents at beginning of year	69,683,125
Cash and cash equivalents at end of period	<u>\$ 146,341,949</u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents - unrestricted (current)	87,959,573
Cash and cash equivalents - restricted (current)	2,382,376
Cash and cash equivalents (noncurrent)	56,000,000
Cash and cash equivalents	<u>146,341,949</u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS

(Continued)

Three Months Ended September 30, 2024

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

Operating income (loss)	\$ 28,539,062
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	357,239
(Increase) decrease in:	
Accounts receivable, net	(225,792)
Other receivables	(473,245)
Accrued revenue	798,217
Prepaid expenses	(134,025)
Deposits	2,495,141
Increase (decrease) in:	
Accrued cost of electricity	(574,701)
Accounts payable	796,036
Accrued liabilities	3,076,303
User taxes due to other governments	101,351
Net cash provided (used) by operating activities	<u>\$ 34,755,586</u>

NONCASH INVESTING ACTIVITES

Unrealized appreciation and timing differences in investment income	\$ (489,849)
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Renewable Energy Prepayment Transaction


December 5, 2024



1

\$775,590,000

California Community Choice Financing Authority Clean Energy Project Revenue Bonds Series 2024G (GREEN BONDS)



2

Transaction Details

On Tuesday, November 19th, SCP priced \$775,590,000 of Tax-Exempt Bonds:

- Bonds issued through the California Community Choice Financing Authority (CCCFA)
- Underwriter: Goldman Sachs
- 30-year bonds with a “Mandatory Put” on 11/1/2032
- Scheduled to close: November 27, 2024
- Bonds Prepaid five of SCP’s Power Purchase Contracts:
 - Mix of Solar, Wind and Geothermal Projects



3

Transaction Details

The prepayment transaction:

- Will save SCP’s ratepayers a total of \$47 million over the initial 7 ½ years of the transaction.
- Represents a savings of \$6.25 million/year in the cost of the power from the projects.
- Represents a savings of 15.2% of renewable energy payment cashflows – the highest % savings ever achieved in California prepayments.



4

Thank you



5

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Staff Report - Item 09

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, Approve Legislative Positions, and Provide Direction as Appropriate

Date: December 5, 2024

Requested Action

Receive legislative and regulatory updates, approve legislative positions, and provide feedback as appropriate.

Regulatory Updates

CPUC Directs Investor-Owned-Utilities to Adopt Multi-property Microgrid Tariffs

On November 7th the CPUC unanimously approved a Decision directing the three investor-owned-utilities to develop and offer tariffs for customers who wish to develop microgrids across multiple adjacent properties. To do so, the CPUC ultimately required Southern California Edison (SCE) and San Diego Gas and Electric Company (SDG&E) to offer a tariff mirroring PG&E's Community Microgrid Enablement Tariff.

As background, this was the culmination of Senate Bill 1339 (Stern, 2018) which required the Commission to develop methods to reduce barriers for microgrid deployment. However, that legislation included one provision which proved to be an almost insurmountable barrier: that non-participating customers could not be exposed to any cost increases. This led the presiding judge to reject all proposals put forth by microgrid industry participants, such as Clean Coalition, Green Power Institute, Microgrid Resources Coalition, PearlIX, and Sunnova. The CPUC also denied petitions for modification of previous decisions filed by the California Solar & Storage Association and the Green Power Institute. To date, only one multi-property

microgrid has been developed under PG&E's tariff: the joint Redwood Coast Energy Authority/PG&E project at the Humboldt Airport. The proceedings are now closed.

CPUC Judge Rules PG&E Proposal to Reduce Financial Credits for CCA Customers Out of Scope

On August 1, 2024, the assigned Administrative Law Judge (ALJ) on PG&E's 2025 Energy Resources Recovery Account (ERRA) Forecast Application (A. 24-05-009) ruled the utility's proposal to increase CCA customer rates by reducing the credit paid to them was rejected as out of scope.

As background, for-profit utilities are granted the ability to recover both their costs and allowed levels of shareholder profits from the customers in their service territory. There are three over-arching types of rate cases in which Commission staff and interested stakeholders like CCAs can evaluate these utility requests: ERRA Forecast Proceedings, ERRA Compliance Proceedings, and General Rate Cases. In this current ERRA Forecast Proceeding, PG&E estimates and proposes a given amount of funds to be included in all customer rates beginning in January of 2025. The utility's actual costs are then recorded throughout 2025 and compared with this estimate. If these costs are deemed in compliance with the approved methodology, any under or over-collections are included as a debit or credit to future rates.

In this 2025 ERRA Forecast Application, PG&E proposed to modify the methodology used to calculate the financial credit CCA customers receive in exchange for the costs they pay to maintain PG&E's assets. Specifically, PG&E proposed to lower the bill credit paid for Resource Adequacy (RA). All load-serving entities, including CCAs and for-profit utilities, are required to purchase RA and share the underlying contract information with the CPUC and CAISO. The intent is to ensure that all electricity providers have enough capacity under contract to maintain a reliable grid. Between 2019 and 2023, the average market cost of RA surged nearly 500%. This resulted in higher costs for load-serving entities like CCAs which are actively purchasing RA in the market. PG&E, on the other hand, has existing long-term contracts for resources that provide the bulk of their RA needs. Since CCA customers pay an equal share for these contracts but are not granted the RA attribute itself, they receive a financial credit. The value of that financial credit is based on weighted-average market prices. Thus, when market prices increase, PG&E is required to grant CCA customers a higher credit. This puts downward pressure on CCA customer bills. In this 2025 ERRA Case, PG&E proposed to put a ceiling on the maximum amount they would credit CCA customers.

SCP customer bills would have increased by \$125 million in 2025 under PG&E's proposal. This equates with a typical residential customer paying an additional \$500 over the year.

Fortunately, the assigned Administrative Law Judge issued a Ruling which agreed with CCA advocacy that PG&E should not be allowed to implement this change. Specifically, it stated that, "we are persuaded by CalCCA and DACC that this proceeding is the incorrect venue to address these issues." However, the Judge did not decide on the merit of PG&E's proposal and invited the utility to introduce this in another venue, stating that the proposal, "may merit consideration in another rulemaking."

Legislative Updates

The 2025-2026 legislative session kicks off in early December, with the Legislature beginning work in earnest in January. The Governor has also convened a special legislative session to allocate costs for litigation against anticipated Trump administration actions. Democrats have lost a handful of seats in the Legislature for the first time in several cycles but will maintain their supermajorities in both houses. The Legislature is also approaching gender parity for the first time in California history.

Sonoma Clean Power staff are working to identify opportunities to sponsor legislation over the year ahead in the realms of geothermal power, transmission issues and associated climate and affordability impacts, climate adaptation, and more. It seems likely that affordability and infrastructure issues in the electric sector will once again be top of mind for the Legislature.

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Staff Report - Item 10

To: Sonoma Clean Power Authority Board of Directors

From: Garth Salisbury, Chief Financial Officer & Treasurer
Chris Golik, Revenue Manager

Issue: Accept the Independent Report for the Financial Statements from Fiscal Years Ending June 30, 2023, and June 30, 2024

Date: December 5, 2024

Requested Board Action

Accept the independent report for the Financial Statements from Fiscal Years ending June 30, 2023, and June 30, 2024.

Background

Pisenti & Brinker will be presenting their independent report of SCPA's financial statements for the Fiscal Years ending June 30, 2023, and June 30, 2024. The report was completed with financial statements prepared by Maher Accountancy.

Attachments

- Financial Statements - Years Ending June 30, 2023, and June 30, 2024, with Report of Independent Auditors, available at [this link](#) or by request from the Clerk of the Board.

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Staff Report - Item 11

To: Sonoma Clean Power Authority Board of Directors

From: Geof Syphers, Chief Executive Officer
Garth Salisbury, Chief Financial Officer & Treasurer
Chris Golik, Revenue Manager

Issue: Approve the Parameters for Customer Rate Reductions Following Changes to Distribution Utility Rates and Fees on or After January 1, 2025, and Amendments to Financial Policy B.2

Date: December 5, 2024

Recommendation

Approve the following three items.

1. Amend Financial Policy B.2 to increase Target Reserves to 365 days of annual budgeted operating expenses per the redlines in Attachment 1.
2. Set rates as soon as is feasible after PG&E's changes to PCIA (Power Charge Indifference Adjustment) and rates expected on January 1, 2025, using the following parameters:
 - Establish SCP rates to achieve the maximum savings on total customer bills between 5% and 7% below PG&E's bundled service total bills, while projecting a 2025 year-end reserve balance of not less than 365 days of annual budgeted operating expenses; and
 - Reset all rate classes so SCP customer total bills have an equal percentage savings from PG&E's bundled service total bills; and
 - Requires that staff return to the Board following rate implementation to have the final rates ratified for continued use.

3. Make an allocation to SCP's local investment fund of either:
 - a. *Staff Recommendation*: Zero additional dollars this year, in recognition that the fund already has \$12.8 million, and staff do not expect to begin using the fund until 2026; or
 - b. *Committee Recommendation*: 4% of Revenues in 2025 (about \$10 million), in recognition that investing locally is an important goal for the agency. Five Committee Members voted for this option and four abstained.

Background

SCP's goals with customer rate setting include:

- Protect customers from sudden large changes in rates;
- Have few rate changes in a given year to provide stability for customers;
- Save customers money when we can, while still achieving progress on SCP's climate goals;
- Maintain long-term cash reserves to sustain SCP's investment-grade credit rating and ability to secure affordable sources of energy and seek to build and sustain the target balance of long-term cash reserves to ensure adequate liquidity to survive extreme energy market conditions (e.g., a broad energy crisis or a rapid increase in PG&E's fees).

Over the past ten-and-a-half years, SCP has had rates that were lower than PG&E over 80% of the time while supplying a consistently more environmentally preferred portfolio of power sources.

SCP customer total bills were below PG&E's bundled service total bills by 7% in February 2024 and 3% since August 2024. These savings levels were expected to return excess reserves to ratepayers by the end of calendar year 2025, leaving the reserve balance at the reserve target.

When rates were set in August, a large increase in the PCIA was projected for 2025. This resulted in a further increase in SCP's reserve balance in 2024 that was expected to be necessary to maintain SCP customer savings vs. PG&E in 2025.

PG&E's most recent estimate of PCIA in 2025 is significantly lower than it was estimated to be just a few months ago. This proposal aims to enhance SCP customer

savings by implementing further rate savings as well as align SCP's reserve target with its strategy of long-term risk reduction.

PG&E is expected to implement changes to the Power Charge Indifference Adjustment (PCIA) and PG&E's rates on January 1, 2025, or soon after that. While SCP does not expect to have final numbers for these changes until December 31, 2024, the most recent PG&E forecast indicates:

- An increase in PG&E delivery costs for all customers;
- A small decrease in PG&E's bundled service generation costs; and
- A small decrease in the Power Charge Indifference Adjustment for CCA customers.

It is important to take all PG&E's estimates for charges and bill adjustments with caution. Previous years have seen increases of tens of millions of dollars in SCP customer charges, changes in calculation methodologies, and delays in implementation. As detailed in this month's regulatory report, PG&E recently sought CPUC approval to charge SCP customers an additional \$125 million in 2025 alone. Had that request been granted, it would have added an average of approximately \$500 per residential household in 2025 alone. While that proposal was ruled as out of scope in the judge's initial proposal, it remains a potential threat and is a policy directive PG&E will likely continue to pursue. This enormous financial risk driven by regulatory uncertainty leads staff to recommend that the Board continue to take a fiscally conservative approach to budget and rate-setting decisions.

Had the CPUC approved PG&E's request to charge SCP customers an additional \$125 million in 2025, SCP would have had to zero-out all bill savings and spend down roughly \$80 million of reserves in 2025 alone. That same risk remains in the future, since the CPUC has not yet ruled on PG&E's request.

SCP's cost of energy is also expected to increase in 2025 when some of the existing fixed-price contracts end and SCP is more exposed to current higher market prices of energy.

Discussion

As used in the past, staff is recommending the use of rate setting parameters to facilitate the implementation of new customer rates as soon as possible following PG&E's expected changes on January 1, 2025. If PG&E's final numbers are available

on December 31, 2024, SCP expects to be able to implement new rates on February 1, 2025. If PG&E's updates are delayed, then staff propose to make SCP's rate change as soon as feasible after the information becomes available.

As a result of the high cost of resource adequacy and renewable energy offsetting the relatively low market cost of energy, PG&E is not expected to make significant changes to the PCIA in 2025. This presents an opportunity for SCP to both offer customers savings and to ensure SCP's cash reserves are sufficient to weather the greater monthly volatility in energy market expenses staff expect to see in 2025 and beyond.

The suggested increase to the Target Reserve, from 280 to 365 days expenses, reflects an increased need for operating liquidity in order to reduce the long-term risk of changes in the market price of energy and the consequent inverse changes to the PCIA. The volatility in the market prices for system energy, resource adequacy and renewable energy warrant a larger reserve target to better insulate ratepayers from the risk of future large changes to rates.

See Attachment 1 for proposed amendments to Financial Policy B.2 Financial Reserves. SCP also intends to secure a line of credit to further mitigate this short-term variability, but staff believe it's prudent to avoid interest expense when possible by maintaining sufficient reserves for this purpose. The ratepayer cost of using cash reserves is fundamentally lower than the cost of borrowed money.

Staff will provide a report to the Board after calendar year 2025 to assess how well SCP's operating liquidity is meeting the needs of SCP's risk-reduction strategy, along with suggestions for any adjustments that might be needed to reserve fund target balances in the future.

When SCP implements new rates, staff is recommending the use of the following parameters:

- Establish SCP rates to achieve the maximum savings on total customer bills between 5% and 7% below PG&E's bundled service total bills, while projecting a 2025 year-end reserve balance of not less than 365 days of annual budgeted operating expenses; and
- Reset all rate classes so SCP customer total bills have an equal percentage savings from PG&E's bundled service total bills; and

- Requires that staff return to the Board following rate implementation to have the final rates ratified for continued use.

Financial Impact

An expected return to ratepayers of about \$10 million in excess ratepayer collections above SCP's reserve target, resulting in a projected reserve balance at the end of calendar year 2025 of about \$265 million.

The Board established SCP's local investment fund at their meeting on November 2, 2023. The fund is intended to own assets with a goal of generating non-rate revenues for the purpose of lowering customer rates over long time periods. At the same meeting, the Board also approved ongoing local investments during years when costs and rates are favorable. Based on the approved guidance, staff would normally suggest an allocation of 4% of Revenues in 2025 to SCP's local investment fund. In this instance, however, staff are proposing that SCP pause the ongoing allocation for 2025 only. Further allocations would resume in 2026 as conditions allow. This is because it will likely take time to deploy the \$12.8 million that was previously allocated to the local investments, let alone additional funds from 2025. The Community Advisory Committee disagreed with staff, as detailed in the next section.

Community Advisory Committee Review

The Committee unanimously recommended that the Board approve the first two items in this proposal, which are amendments to Financial Policy B.2 and rate setting parameters, as presented.

The third item in this proposal, regarding SCP's local investment fund, was voted on separately. On a 5-4 vote, the Committee recommended an alternate proposal to allocate 4% of Revenues in 2025 to SCP's local investment fund.

Attachments

- Attachment 1 - B.2 Financial Reserves Amended - Redline

Financial Policy B.2

Financial Reserves

Purpose

SCP maintains financial reserves to maintain good standing with rating agencies, provide liquidity when current income is insufficient, protect customers from sudden large changes in rates, and to mitigate energy market risks. This policy governs how financial reserves are built, maintained and used.

Reserves are defined as unrestricted cash and investments excluding funds designated by the Board of Directors to be invested in income-producing investments with the purpose of offsetting rates over time. Reserves include funds held in the Rate Stabilization Fund.

Reserve Balances

- Minimum Reserves: 180 days of the annual budgeted operating expenses.
- Target Reserves: ~~280~~365 days of the annual budgeted operating expenses.
- Rate Stabilization: Any excess revenues above the Target Reserve balance shall be deferred to stabilize rates in subsequent years.

Building Reserves and Rate Setting

During periods when the Minimum Reserve is not met, SCP shall set rates in a manner to reach the required balance within 2 years.

During periods when SCP's reserves are above the Minimum Reserve but below the Target Reserve, SCP shall set rates to reach the Target Reserve balance within 5 years in a manner that best protects customers from unreasonable rates.

Use of Reserves

The expenditure of reserve funds requires a vote of the Board of Directors. However, the CEO has the authority to use reserves for operating liquidity in emergency situations in consultation with the Board Chair and Vice Chair, and such actions must be noticed to the Board of Directors in the next meeting.

Investing Reserve Balances

The investment of reserve funds is governed by Financial Policy B.5 Investments.

Adopted: June 5, 2014

Amended: Jan 8, 2015, Jun 4, 2015, Apr 5, 2018, Apr 2, 2020, May 5, 2022, Oct 3, 2024

Staff Report - Item 12

To: Sonoma Clean Power Authority Board of Directors

**From: Felicia Smith, Director of Programs
Carolyn Glanton, Programs Operations Manager
Geof Syphers, Chief Executive Officer
Mike Koszalka, Chief Operating Officer**

Issue: Review Strategic Action Plan and Provide Direction as Appropriate

Date: December 5, 2024

Recommendation

Review the 2025 Strategic Action Plan and provide comments, feedback, and direction to staff.

Background

The first customer programs Strategic Action Plan (Plan) was received by the Board of Directors in February 2018. The Plan was updated and presented to the Board every six months. In 2022, SCP revised and updated the Plan to integrate the Equity Framework to incorporate valuable planning and implementation elements alongside goals to support customer energy solutions.

Steps from the Equity Framework built into the Plan include:

- Assessing community needs and setting goals
- Establishing community led decision making
- Developing a plan and metrics for tracking
- Ensuring funding and program leverage and
- Improving outcomes

In 2023, SCP initiated Community Needs Assessments with residential, commercial, agricultural customers, and for transportation and mobility needs. Since the

outcomes of the needs assessment are integral for strategic planning and goal setting, the Plan was not updated until the results were received in 2024.

Discussion

The customer programs Strategic Action Plan is included as Attachment A to this report. The Plan includes multiple updates and elements:

1. Named Strategic Action Plan *Offers and Incentives*, to clearly denote the focus of the Plan. Market research indicates SCP customers don't associate the word "programs" with SCP's customer energy solutions and thus was removed from the Plan.
2. SCP's methodology to incorporate equity and community needs into customer energy solutions, offers, and incentives.
3. Key focus areas that support SCP as an electric utility, mitigate climate change, and facilitate reliability and affordability.
4. Current customer offerings and associated metrics.
5. Next steps from Community Needs Assessment illustrates concepts and ideas that meet SCP's utility goals and customer input. Many of these concepts will be developed through a community-led decision-making process as suggested in the Plan.

Fiscal Impact

No fiscal impacts related to this item. Budgeting for customer programs, offers, and incentives is accomplished through the annual budget process.

Community Advisory Committee Review

The Committee reviewed and provided input on the Draft Strategic Action Plan.

Attachments

- Attachment A - Draft Strategic Action Plan *Offers and Incentives*, available at [this link](#) or by request from the Clerk of the Board.

Strategic Action Plan

Customer Offers and Incentives

2025



1

What's in this plan?

SCP's 2025 Strategic Action Plan for Customer Offers and Incentives details several elements:

- Alignment with SCP's goals, mission, and integrated resource plan
- Focus on equity and Empower customers
- Methodology of program design
- Key focus areas
- List of all offerings and incentives and associated results



2

Alignment with SCP Goals and Equity Framework

In 2022, the Strategic Action Plan was combined with the Equity Framework to ensure both equity and utility objectives were used to develop SCP offers and incentives.

SCP conducted Community Needs Assessments in 2023-2024 to gauge customers' interests, needs, and barriers around energy solutions. Those findings and themes are incorporated into the plan to keep them at the forefront.



3

Focus Areas

1. Electrify transportation and gas-powered equipment
2. Accelerate building efficiency and electrification
3. Reduce peak demand and shift energy use towards low-carbon electricity
4. Educate and engage customers, residents, youth and workforce within our community
5. Foster innovation through research and development



4

Electrify transportation and gas-powered equipment

On-road transportation accounts for the largest source of GHG emissions in Sonoma and Mendocino County.

Highlights:

- Non-profit EV rebate
- EV Charging Optimization
- E-Bike Commuter Grant



5

Accelerate building efficiency and electrification

Buildings are another large contributor of GHG emissions. SCP incentivizes energy efficiency and fuel-switching.

Highlights:

- Electrification Incentives
- Commercial Energy Assistance
- Energy Savings Box



6

Reduce peak demand and shift energy use towards low-carbon electricity

Reducing peak demand has numerous benefits that include lower energy costs, grid reliability, and optimizing low-carbon electricity.

Highlights:

- GridSavvy Rewards



7

Educate and engage customers, residents, youth, and workforce

SCP promotes education involving energy efficiency, electrification, EVs, and energy-related climate change solutions.

Highlights:

- Duck Curve Challenge



8

Foster innovation through research and development

Innovation is needed to make the switch to 100% clean electricity and energy-efficient all-electric living.

Highlights:

- California Energy Commission EPIC grant – Lead Locally



9

Questions?



10

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Staff Report - Item 13

To: Sonoma Clean Power Authority Board of Directors
From: Geof Syphers, Chief Executive Officer
Issue: Adopt Resolution 2024-07 Calling for a Credible and Definitive Plan to Close the Diablo Canyon Nuclear Power Plant by 2030
Date: December 5, 2024

Recommendation

Adopt the proposed resolution 2024-07 Calling for a Credible and Definitive Plan to Close the Diablo Canyon Power Plant by 2030.

Background

California has generally been moving toward closing the state's last remaining nuclear reactors, with San Onofre closing in 2013 and Diablo Canyon originally scheduled to close one reactor in 2024 and the other in 2025.

Those closure plans changed following the September 2022 heat storm. Due to the extreme measures California had to take to keep the lights on that month, Senate Bill 846 (Dodd, 2022) was urgently passed, directing the CPUC to push back the closure date for Diablo Canyon. On December 14, 2023, the CPUC approved the extension of operations of PG&E's Diablo Canyon Nuclear Power Plant at least until October 31, 2029 (Unit 1) and October 31, 2030 (Unit 2).

Because this action was deemed essential for California's grid reliability, all electric customers were made to pay for the extended operations, including all of SCP's customers. This is problematic for at least four reasons: excessive ratepayer costs, safety concerns, environmental risks, and the deprioritization of statewide solutions to building an affordable clean grid.

On October 3, 2024, the SCP Board directed staff to bring forward a resolution calling on California to abide by its current commitment to definitively close Diablo Canyon in 2030 and ensure that no further extensions are needed or allowed.

Fiscal Impact

The adoption of this resolution has no direct impact on SCP's finances or customer rates.

Community Advisory Committee Review

This item was brought directly to the Board and did not have prior review by the Committee.

Attachments

- Attachment 1 - Draft Resolution 2024-07 Calling for a Credible and Definitive Plan to Close the Diablo Canyon Nuclear Power Plant by 2030.

RESOLUTION NO. 2024-07

A RESOLUTION OF THE BOARD OF DIRECTORS OF SONOMA CLEAN POWER AUTHORITY CALLING FOR A CREDIBLE AND DEFINITIVE PLAN TO CLOSE THE DIABLO CANYON NUCLEAR POWER PLANT BY 2030

WHEREAS, Sonoma Clean Power Authority (SCP) is committed to selecting and providing affordable, reliable, and environmentally responsible energy to the communities it serves in Sonoma and Mendocino counties; and

WHEREAS, the Diablo Canyon Nuclear Power Plant is California's last remaining nuclear power facility and is currently operating under an extension approved by the State of California, delaying its closure until 2030; and

WHEREAS, SCP recognizes that while the extension was granted to address the inadequate pace of construction of transmission infrastructure and baseload renewable sources, it is imperative that the State of California commit to closing Diablo Canyon by 2030, as planned, without further extensions; and

WHEREAS, indefinite reliance on the Diablo Canyon Nuclear Power Plant poses ongoing risks, including:

- **Excessive Ratepayer Costs:** Diablo Canyon remains the most expensive power plant in California, burdening SCP customers with unnecessary costs that exceed those of new baseload renewable energy sources such as geothermal power.
- **Safety Risks:** The plant is located adjacent to known earthquake faults, creating unacceptable safety vulnerabilities.
- **Environmental Impacts:** Continued stockpiling of spent nuclear fuel at the site, with no approved long-term disposal strategy endangers ecosystems and future generations.
- **Deprioritization of Solutions:** Continued extensions of Diablo Canyon risk delaying the legislative and regulatory solutions needed to enable and accelerate critical transmission and baseload clean power solutions.

WHEREAS, California must prioritize investment in renewable energy projects and transmission infrastructure, including SCP's GeoZone geothermal expansion project, which will add 600 MW of new, clean, and reliable energy to the state's grid;

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

1. **Calls on California policymakers and regulatory agencies** to create and adopt a credible, transparent, and enforceable plan for the closure of Diablo Canyon Nuclear Power Plant by 2030, without further extensions.
2. **Demands the State commit to renewable energy and transmission development** that ensures Diablo Canyon’s closure can occur as planned, safeguarding public safety, energy affordability, and environmental health.
3. **Urges immediate action to address regulatory and infrastructure failures** that contributed to the delay in renewable energy projects and transmission construction, thereby reducing reliance on aging, high-risk nuclear power.
4. **Reaffirms SCP’s dedication to advancing baseload renewable energy solutions**, including its GeoZone geothermal initiative, and calls for state support in scaling baseload renewable energy projects more broadly.
5. **Expresses the Board’s frustration with the lack of a long-term energy strategy** that responsibly transitions away from aging and costly nuclear facilities toward an affordable, clean energy future for all Californians.

DULY ADOPTED this 5th day of December, 2024

JURISDICTION	NAME	AYE	NO	ABSTAIN/ ABSENT
Cloverdale	Director Lands			
Cotati	Director Lemus			
County of Mendocino	Director Gjerde			
County of Sonoma	Director Hopkins			
Petaluma	Director Barnacle			
Rohnert Park	Director Elward			
Santa Rosa	Director Rogers			
Sebastopol	Director Zollman			
Sonoma	Director Farrar-Rivas			
Willits	Director Strong			
Windsor	Director Fudge			

In alphabetical order by jurisdiction

Chair, Sonoma Clean Power Authority

Attest:

Clerk of the Board

Staff Report - Item 14

To: Sonoma Clean Power Authority Board of Directors
From: Geof Syphers, CEO
Issue: Receive Presentation and Provide Input on a Draft Energy Project Selection Methodology
Date: December 5, 2024

Recommendation

Receive a presentation and provide feedback on a draft methodology for selecting energy, capacity and energy storage projects. This feedback will be used to draft and bring a proposed final methodology for future Board consideration.

Process

The SCP Board of Directors provided input on guidelines for drafting project selection criteria during the November 7 meeting. That input was used by staff to create a working draft attached to this item.

After the Board provides feedback on this draft , staff will work with the Community Advisory Committee to create a recommended final energy project selection methodology for the Board to consider adopting at the March 2025 meeting.

Implementing the Guidelines

1. Actions to procure new energy resources outside of SCP's service territory that have no incremental ratepayer cost and improve project-area conditions should be pursued. Actions that have incremental ratepayer costs should be quantified and kept within spending limits set by the Board.

Recommended Implementation: Given the complexity of trying to establish cost limitations in a fast-moving energy market, staff recommend reporting annually on the results and metrics of implementing the selection methodology through SCP's GO-156 Supplier Diversity Report and discussing the results with the Board

to allow fine-tuning, if appropriate.

2. Where SCP has only a small influence on project area impacts through the contracting process (e.g., project location or details of Community Benefits Agreements), SCP should work to identify shortcomings in laws, regulations and planning processes and work to correct them.

Recommended Implementation: This may best be achieved simply through continued direction from the Board to engage in this type of advocacy work, and therefore this is not specifically included in the draft.

3. Adopt procurement policies carefully to not selectively burden ratepayers in Sonoma and Mendocino Counties except in cases where the Board determines the overall value warrants it. Any new costs and risks should usually fall on all Californians.

Recommended Implementation: The annual GO-156 report should be shared with and reviewed by the Board to help flag if adjustments to the criteria are needed. Advocacy to improve the required procurement practices of investor-owned utilities and direct access providers may be warranted as well.

4. When weighing project area impacts, consider the systemic impacts (both positive and negative) as well. Sometimes negative impacts in one area can create larger positive impacts in another area.

Proposed Implementation: Draft methodology prioritizes projects that have the potential to enable the permanent retirement of natural gas power plants and/or Diablo Canyon nuclear power plant when sufficient similar projects reach scale in California.

5. Give priority to resources in the following descending order:
 - a. Resources that have little to no direct adverse environmental impacts anywhere or incremental ratepayer cost. Examples include behavioral demand response and improved utilization of existing resources (e.g., dispatch of customer-owned batteries or improved dispatch of grid-scale storage).

- b. Resources located within SCP's service territory with a higher preference for projects on previously disturbed land.
- c. Resources within adopted California least-conflict zones.
- d. Resources located in California, with a higher preference for projects on previously disturbed land.
- e. Resources delivered into the CAISO balancing authority and documented in a manner that conforms to current California Energy Commission Power Source Disclosure Reporting obligations.

Proposed Implementation: Simplified this language in the draft in recognition of the fact that it only pertains to new construction and doesn't apply to programs like dispatching customer-owned resources.

- 6. Resource selection should prioritize projects that have the greatest community benefits on a systemwide basis. Selection should secondarily prioritize projects that have the greatest community benefits in the project area. More specifically:
 - f. Contracting new and existing resources should seek to reduce SCP's payments to fossil fuel resources in order to accelerate the closure and decommissioning of highly polluting power plants and the related human health impacts on communities near wellheads and power facilities.
 - g. Contracting for new and existing resources should seek to provide high quality employment (a "just transition") in the clean power sector for all workers with a special emphasis on workers currently employed in oil, gas and coal.
 - h. Consistent with applicable state law, contracting for the construction of new resources should prioritize projects that have specific and meaningful commitments to contact and collaborate with project area communities, including tribal nations, designated disadvantaged communities and underrepresented communities.

Proposed Implementation: Addressed (a) in #4 above. Aligned draft language with adopted language from Ava and 3CE on workforce and community engagement.

7. As a California public agency, SCP should notify bidders that any projects to be built and owned by SCP must be constructed by workers paid prevailing wage as determined by the California Department of Industrial Relations. In addition, such projects having a multi-trade project labor agreement should be given priority.

Proposed Implementation: All guideline elements are in the draft.

8. For power purchase agreements where SCP is not the owner, priorities should be as follows:
 - i. First, projects committing to a multi-trade project labor agreement, with higher priority to projects also having clear and valuable local hire, apprentice and equity priority employment criteria.
 - j. Second, projects committing to pay living wages, with higher priority to projects paying prevailing wages as determined by the California Department of Industrial Relations and having apprentices at the same ratio of apprentice hours to journeyman hours as required for public works projects.
 - k. Third, all other projects.

Proposed Implementation: All guideline language in the draft.

9. SCP's ability to demonstrate leadership practices in and near energy project locations will grow significantly when California expands its transmission and distribution capacity. Such work is critical to restore a competitive energy market where problematic projects can be excluded without risk to state compliance mandates and SCP's climate and affordability goals. Advocate for appropriate transmission system capacity.

Recommended Implementation: This may best be achieved simply through continued direction from the Board to engage in this type of advocacy work, and therefore this is not specifically included in the draft.

10. SCP will comply with applicable legal and regulatory requirements, even in cases where those requirements create additional burdens and/or impact SCP's voluntary procurement goals.

Proposed Implementation: All guideline language in the draft.

In addition to the above, staff heard Board feedback that the selection criteria should apply to any future resources that SCP constructs and owns, and resources located within SCP's service territory. The draft incorporates those projects.

Attachments

- Draft Project Selection Methodology, available at [this link](#) or by request from the Clerk of the Board
- CCA Workforce and EJ Alliance Proposed Project Selection Methodology, available at [this link](#) or by request from the Clerk of the Board