



**AGENDA**  
**BOARD OF DIRECTORS MEETING**  
**THURSDAY, FEBRUARY 6, 2025, 9:00 A.M.**

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EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 54953(F), MEMBERS OF THE BOARD OF DIRECTORS MAY PARTICIPATE IN THE FEBRUARY 6, 2025, MEETING AT ANY OF THE LOCATIONS SHOWN BELOW.

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

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

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

Telephone number: 1 (669) 444-9171

Meeting ID: 885 4670 4126

How to Submit Public Comment:

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

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

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

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

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

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

**BOARD OF DIRECTORS CONSENT CALENDAR**

1. Approve December 5, 2024, Draft Board of Directors Meeting Minutes (Staff Recommendation: Approve) **pg. 5**
2. Ratify Generation Rates Effective February 1, 2025, Consistent with Prior Board Direction (Staff Recommendation: Approve) **pg. 13**
3. Receive Investment Activity Report for the Month of December 2024 (Staff Recommendation: Receive and File) **pg. 15**

**BOARD OF DIRECTORS REGULAR CALENDAR**

4. Nominate and Approve the Appointments of Chair and Vice Chair of the Board of Directors (Staff Recommendation: Approve) **pg. 23**
5. Receive Welcome Orientation to the Sonoma Clean Power Authority Board of Directors (Staff Recommendation: Receive and File) **pg. 25**
6. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. 37**
7. Receive Legislative and Regulatory Updates, Approve Legislative Positions, and Provide Direction as Appropriate (Staff Recommendation: Approve) **pg. 59**
8. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. 65**
9. Approve Purchasing Policy for Local Energy Projects (Staff Recommendation: Approve) **pg. 71**
10. Receive Presentation and Provide Input on a Draft Energy Project Selection Criteria (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	Community Advisory Committee
CAISO	California Independent Systems Operator - the grid operator
CCA	Community Choice Aggregator - a community-owned public power provider
CEC	California Energy Commission
CleanStart	SCP's default power service
CPUC	California Public Utilities Commission
DER	Distributed Energy Resource
ERRA	Energy Resource Recovery Account - one of PG&E's rate cases at the CPUC
EverGreen	SCP's 100% renewable, 100% local energy service, and the first service in the United States providing renewable power every hour of every day.
Geothermal	A locally available, low-carbon baseload renewable resource
GHG	Greenhouse gas
GRC	General Rate Case - one of PG&E's rate cases at the CPUC
GridSavvy	GridSavvy Rewards are available to SCP customers for reducing household energy use to help California increase power reliability.
IOU	Investor-Owned Utility - for-profit distribution utilities like PG&E
IRP	Integrated Resource Plan - balancing energy needs with energy resources
JPA	Joint Powers Authority
MW	Megawatt is a unit of power and measures how fast energy is being used or produced at one moment.
MWh	Megawatt-hour is a unit of energy and measures how much energy is used or produced over time.
NEM	Net Energy Metering. NEM is a billing mechanism that credits solar energy system owners for the electricity they add to the grid.
PCIA	Power Charge Indifference Adjustment - a fee charged by PG&E to all electric customers to ensure PG&E can pay for excess power supply contracts that it no longer needs.
RA	Resource Adequacy - a required form of capacity that helps ensure there are sufficient power resources available when needed.
RPS	Renewables Portfolio Standard refers to certain kinds of renewable energy which qualify to meet state requirements, including wind, solar, geothermal.
SCP	Sonoma Clean Power
TOU	Time of Use, used to refer to rates that differ by time of day

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

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**CALL TO ORDER**

(9:04 a.m. - Video Time Stamp: 00:03:00)

Chair Hopkins called the meeting to order.

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

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Garth Salisbury, Chief Financial Officer; Neal Reardon, Director of Regulatory Affairs; Chris Golik, Revenue Manager; Felicia Smith, Director of Programs; and Josh Nelson, Special Counsel.

Geof Syphers, CEO, thanked Director Strong for her service to SCP and Director Strong thanked SCP. CEO Syphers then thanked Director Rogers for his service and Director Rogers thanked SCP for all it has done for the community.

**BOARD OF DIRECTORS CONSENT CALENDAR**

(9:17 a.m. - Video Time Stamp: 00:16:25)

1. Approve November 7, 2024, Draft Board of Directors Meeting Minutes
2. Approve Resolution 2024-06 Adopting an Amended Conflict-of-Interest Code Pursuant to the Political Reform Act of 1974
3. Approve Revisions to the Net Billing Tarriff
4. Receive Geothermal Opportunity Zone Update
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

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
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

Public Comment: None

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

Second: Vice Chair Barnacle

Motion passed by roll call vote.

AYES: Lands, Barnacle, Elward, Flemming, Zollman, Farrar-Rivas, Strong, Hopkins

ABSENT: Lemus, Fudge, Gjerde

ABSTAIN: Hopkins on Item 1

## **BOARD OF DIRECTORS REGULAR CALENDAR**

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

(9:19 a.m. - Video Time Stamp: 00:18:46)

Michael Koszalka, COO, introduced Garth Salisbury, CFO, who gave a presentation on pre-pay transactions.

Vice Chair Barnacle asked how the information regarding pre-pay transactions was getting out to the local community and Geof Syphers, CEO, stated that SCP was sending out a press release and would be further discussing it in item 11. Members Farrar-Rivas and Elward expressed gratitude for this accomplishment.

Public Comment: None

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

(9:28 a.m. - Video Time Stamp: 00:27:23)

Neal Reardon, Director of Regulatory Affairs, discussed that the CPUC concluded their multi-property microgrid tariffs proceedings and explained that it was determined that no costs could be avoided. Director Reardon then discussed the CPUC judge ruling that PG&E's proposal to reduce financial credits for CCA Customers was out of scope. CEO Syphers added that this would cost customers an additional \$120 million a year. Neal concluded with a brief legislative update and encouraged the Board to think of ideas for the next legislative session.

Public Comment: None

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

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

(9:36 a.m. - Video Time Stamp: 00:35:47)

Kellin Gilbert of Piseni & Brinker gave a presentation on the independent audit of SCP's financial statements from fiscal years ending June 30, 2023, and June 30, 2024.

Public Comment: None

Motion to accept the Independent Report for the Financial Statements from Fiscal Years Ending June 30, 2023, and June 30, 2024, by Vice Chair Barnacle

Second: Director Farrar-Rivas

Motion passed by roll call vote.

AYES: Lands, Barnacle, Elward, Flemming, Zollman, Farrar-Rivas, Strong, Hopkins

ABSENT: Lemus, Fudge, Gjerde

*9:45 a.m. Alternate Director Flemming exited the meeting.*

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

(9:46 a.m. - Video Time Stamp: 00:45:32)

Chris Golik, Revenue Manager, discussed the three requests that made up this item. First, he discussed how investments are defined by SCP and a change to the reserve target to assess risk. Secondly, he discussed SCP's rate setting for January 1, 2025. Third, he discussed SCP's local investment fund, and he gave the Board two recommendations on this topic, one option from the Community Advisory Committee (Committee) and the other option was a recommendation from SCP staff.

Chair Hopkins asked if the Board could split the difference between the two options and CEO Syphers answered that it could be done. Director Zollman stated that he respected the CAC decision, but he would like to split the difference. Director Lands asked where the recommended reserve amount came from, and CEO Syphers explained that SCP followed industry-wide practices to come up with the recommendation. Vice Chair Barnacle explained that cash in an account that SCP was not using doesn't look good and asked what the Committee's thinking behind that was. CEO Syphers explained that the thinking was, if you can't add to it in a good year when can you add to a fund. Director Farrar-Rivas expressed appreciation with the Committee's request to put \$10 million in the fund. Director Lands stated that customers don't want to see projects when their bills are high. Vice Chair Barnacle encouraged investment in local projects and Chair Hopkins agreed saying that no one knows what the future will hold. Directors Strong and Elward agreed that they wanted to see a split in the options.

Public Comment: Bob Anderson recommended the Board accept the recommendations from the Committee. The comment is attached.

Motion 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. and on the 3<sup>rd</sup> point of the item to make an allocation of 2% of revenues to SCP's Local Investment Fund in 2025, by Vice Chair Barnacle

Second: Director Zollman



Motion passed by roll call vote.

AYES: Lands, Barnacle, Elward, Zollman, Farrar-Rivas, Strong, Hopkins

ABSENT: Lemus, Fudge, Gjerde, Flemming

## 12. Review Strategic Action Plan and Provide Direction as Appropriate

(10:04 a.m. - Video Time Stamp: 01:03:08)

Felicia Smith, Director of Programs, gave a presentation regarding SCP's Strategic Action Plan (Plan).

Director Zollman asked for a summary of the Committee's review of the Plan, and Director Smith said that the Committee was supportive but there were questions around housing and energy billing. CEO Syphers added that the Committee's Vice Chair Lipp said the Plan was very comprehensive. Director Zollman requested detailed input from the Committee going forward. Vice Chair Barnacle appreciated the work with GridSavvy and asked where the energy came from. Director Smith said that most of the energy comes from residential and EV customers. Vice Chair Barnacle stated that this was an opportunity to engage the local workforce and Director Smith added that SCP's contractor network was a foundation to start with. Chair Hopkins stated that this was an opportunity to share SCP's successes with other CCAs. Director Zollman asked where he could send his constituency who have questions and Director Elward added there needs to be an education portion on the website. CEO Syphers agreed that more communication needs to be made. Director Strong said she would like to see consulting done with commercial customers. Chair Hopkins encouraged the Board to get the information out to their constituencies and Director Farrar-Rivas said she would like to see an Earth Day education event.

Public Comment: None

## 13. Adopt a Resolution 2024-07 Calling for a Credible and Definitive Plan to Close the Diablo Canyon Nuclear Power Plant by 2030

(10:34 a.m. - Video Time Stamp: 01:33:33)

CEO Syphers explained that this resolution was drafted in response to the Board's request to call for a plan for the closing of the Diablo Canyon Nuclear Power Plant.

Chair Hopkins stated that she felt strongly that this Resolution was needed to show the Board's frustration. Director Elward stated that California should not wait to shut the plant down due to the danger to customers.

Public Comment: None

Motion Adopt a Resolution 2024-07 calling for a credible and definitive plan to close the Diablo Canyon Nuclear Power Plant by 2030, by Director Farrar-Rivas

Second: Director Elward

Motion passed by roll call vote.

AYES: Lands, Barnacle, Elward, Zollman, Farrar-Rivas, Strong, Hopkins

ABSENT: Lemus, Fudge, Gjerde, Flemming

#### 14. Receive Presentation and Provide Input on a Draft Policy on Selecting Energy Projects

(10:41 a.m. - Video Time Stamp: 01:40:24)

CEO Syphers thanked organized labor for all their input in drafting this policy and he mentioned that through discussions several CCAs have adopted different policies, and some do not have a policy but point to the already high criteria of the State of California.

*10:50 a.m. the meeting was recessed due to an earthquake emergency.*

*10:57 a.m. the meeting was reconvened.*

Item 14 was continued to the February 6, 2025, Board of Directors meeting.

#### **ADJOURN**

(10:58 a.m. - Video Time Stamp: 01:57:34)

The meeting was adjourned by unanimous consent due to the emergency caused by the Humboldt County Earthquake.

December 3, 2024

Chair Hopkins and Honorable Directors

Sonoma Clean Power

431 E Street Santa Rosa,

CA 95404

RE Item 11 - Approve the Parameters for Customer Rate Reductions:

I support the CAC's recommendation.

- On a 5-0-4 vote, the Committee recommended an alternate proposal to allocate 4% of Revenues in 2025 to SCP's local investment fund. (Page 61 of 79)

I attended the CAC's meeting and can report theirs was a full and thorough discussion.

Staff made known their recommendation. Members had an opportunity to ask questions. The motion was clear, first acting on Items 1 & 2 then taking a separate vote on the third.

As a veteran of several citizen advisory boards, I've experienced many times where it is clear which is the easy and which is the hard path to take. Here the majority did it well.

The CAC members spoke with their votes, little was said favoring this or that next steps.

For me the focus is to make community-wide investments which will result in lower monthly utility bills.

As the Board considers its choice, I offer these excerpts from Item 12 – Strategic Plan:

### **1.1 Agency Mission**

- turn the tide on the climate crisis through bold ideas and practical programs
- provides incentives so customers can reduce their utility bills

### **2.1 Strategic Action**

- set generation rates that stabilize bills and... help customers manage their bills

### **2.3 Design Objectives**

- Need for both market transformation initiatives and avoided cost initiatives

### **6.1.6 'Duck Curve' Challenge**

- 6 Sonoma County schools participated...resulting in 33 submitted solutions

<https://sonomacleanpower.app.box.com/s/jyv06uuq1nfg60sj4hm7ml01151ucmfc>

**Bob Anderson,  
United Wine Growers**

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## Staff Report - Item 02

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

**From:** Geof Syphers, Chief Executive Officer  
Garth Salisbury, Chief Financial Officer  
Chris Golik, Senior Finance Manager

**Issue:** Ratify Generation Rates Effective February 1, 2025, Consistent with Prior Board Direction

**Date:** February 6, 2025

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### Recommended Action

The generation rate change shown in Attachment 1 was implemented February 1, 2025. This rate adjustment falls under the Board of Directors' rate setting parameters approved on December 5, 2024. Rates are now set so that SCP customer total bills have a target of 7% below PG&E's bundled service total bills effective February 1, 2025.

Staff request that the Board ratify these rates.

### Background

The Sonoma Clean Power Board of Directors voted on December 5, 2024, in favor of new customer rates to be implemented as soon as is feasible after PG&E's changes to PCIA 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.

## **Discussion**

PG&E updated the PCIA as well as their generation and delivery rates on January 1, 2025. The SCP rates effective February 1, 2025, shown in Attachment 1, are set so that SCP customer total bills have a target of 7% below PG&E's bundled service total bills.

The actions effective February 1, 2025, represent a reduction in SCP's rates and an increase in SCP customer total bill savings from the prior target of 3% to the new target of 7% below PG&E bundled service total bills.

## **Attachments**

- Attachment 1 - SCP Rate Schedule Effective February 1, 2025, available at [this link](#) or by request to the Clerk of the Board



## Staff Report - Item 03

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**To:** Sonoma Clean Power Authority Board of Directors  
**From:** Garth Salisbury, Chief Financial Officer & Treasurer  
Chris Golik, Senior Finance Manager  
**Issue:** Receive Investment Activity Report for the Month of December 2024  
**Date:** February 6, 2025

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### Requested Action

This report and associated attachments are to inform the Board of Directors (Board) pursuant to the requirements of SCP's Financial Policy B.5 Investments and Government Code Section 53607. This is an information only item.

### Background and Reporting Requirements

This report is to verify and report in writing to the Board regarding the responsibilities designated to the SCP Treasurer pursuant to SCP Financial Policy B.5 Investments. The Investment Policy was amended in 2024 expanding the definition of Permitted Investments, adding several investment diversification requirements, best practices and requiring additional reporting requirements to the Board as follows.

#### Monthly Obligation to Report on New Investment Transactions

Government Code Section 53607 and SCP's Investment Policy require SCP to report to the Board any investment transactions (defined as purchases, sales or exchanges of securities) made during the month as soon as is practicable after the end of the month. Given the scheduling of the SCP's Board meetings during the first week of the month, the investment report will indicate investment transactions that occurred two months prior to the Board Meeting. SCP currently maintains bank accounts and investments at River City Bank (RCB), Summit State Bank, the State of California Local Agency Investment Fund (LAIF) and USBank. Active individual securities are held at both RCB and USBank. Staff will provide Statements of Investments as required throughout the year.

## **Reportable Activities**

### USBank

In November of 2024, the Board approved amendments to SCP Investment Policy as recommended by SCP's investment advisor, Chandler Asset Management (CAM). CAM currently manages \$40 million of SCP's reserves. All investments directed by CAM are held at SCP's custodian, USBank. All investments held as of December 31, 2024, at USBank appear as Attachment 1 with new holdings purchased in December highlighted. USBank transaction details for the month of December, including sales of securities, are in Attachment 2.

### River City Bank

Staff attached a Statement of Investments as of December 31, 2024. A detail of the investments held at River City Bank appears as Attachment 3. There were no investment transactions in the month of December at River City Bank.

### State of California Local Agency Investment Fund

The LAIF investment balance as of December 31, 2024, appears as Attachment 4.

## **Attachments**

- Attachment 1 - Statement of Investments Held at USBank
- Attachment 2 - Statement of Transactions at USBank
- Attachment 3 - Statement of Investments Held at River City Bank
- Attachment 4 - Statement of Investments Held at the Local Agency Investment Fund



**Sonoma Clean Power**  
**Statement of Investments Held at USBank**  
 As of December 31, 2024

Investment Description	Issue	Purchase Date	Maturity Date	Par Value \$	Market Value \$	Purchase Price \$	Purchase Yield in %
First American Govt Oblig fund	Money Market Fund	11/4/2024	12/31/2024	\$ 1,520,366	\$ 1,520,366	\$ 1,520,366	4.1
Cash	Cash	---	12/31/2024	24,556	24,556	24,556	-
Government of The United States	US Treasury	12/19/2024	1/7/2025	5,000,000	4,997,158	4,989,446	4.3
Government of The United States	US Treasury	10/31/2024	5/1/2025	500,000	493,128	489,177	4.5
Government of The United States	US Treasury	10/24/2024	10/2/2025	500,000	484,720	480,635	4.3
Government of The United States	US Treasury	10/30/2024	1/31/2026	500,000	500,010	499,941	4.3
Government of The United States	US Treasury	10/24/2024	4/15/2026	500,000	496,831	497,285	4.1
Government of The United States	US Treasury	---	6/15/2026	1,000,000	998,282	998,379	4.2
Government of The United States	US Treasury	10/24/2024	9/30/2026	500,000	493,702	494,824	4.1
Government of The United States	US Treasury	---	10/31/2026	1,000,000	997,724	998,711	4.2
The Toronto-Dominion Bank	Corporate	12/10/2024	12/17/2026	500,000	498,728	499,990	4.6
Government of The United States	US Treasury	12/30/2024	12/31/2026	1,000,000	1,000,082	999,844	4.3
Government of The United States	US Treasury	10/31/2024	1/15/2027	500,000	497,542	498,574	4.1
Government of The United States	US Treasury	10/30/2024	2/15/2027	500,000	498,637	500,020	4.1
Government of The United States	US Treasury	10/24/2024	4/30/2027	500,000	483,387	485,039	4.0
Government of The United States	US Treasury	---	6/30/2027	1,000,000	976,547	977,813	4.1
The PNC Financial Services Group, In	Corporate	---	7/23/2027	500,000	502,416	503,401	4.7
Government of The United States	US Treasury	10/31/2024	8/15/2027	500,000	493,648	495,137	4.1
Bank of Montreal	Corporate	---	9/10/2027	500,000	498,449	499,493	4.6
Deere & Company	Corporate	10/29/2024	9/15/2027	300,000	297,099	297,975	4.4
Caterpillar Inc.	Corporate	10/31/2024	10/15/2027	300,000	298,823	299,919	4.4
Government of The United States	US Treasury	---	10/15/2027	1,000,000	989,490	993,672	4.1
UnitedHealth Group Incorporated	Corporate	10/29/2024	10/15/2027	300,000	287,108	288,213	4.4
Royal Bank of Canada	Corporate	---	10/18/2027	500,000	498,134	498,673	4.6
Honda Motor Co., Ltd.	Corporate	---	10/22/2027	500,000	496,303	498,034	4.6
State Street Corporation	Corporate	10/31/2024	10/22/2027	300,000	298,146	298,212	4.5
Government of The United States	US Treasury	11/12/2024	11/15/2027	1,000,000	995,587	995,000	4.3
Government of The United States	US Treasury	12/18/2024	12/15/2027	1,000,000	992,309	990,156	4.4
Mercedes-Benz Auto Lease Trust	ABS	10/28/2024	1/18/2028	300,000	303,566	304,383	4.5
Government of The United States	US Treasury	10/24/2024	4/30/2028	500,000	487,387	491,543	4.0
FHLMC	Agency CMBS	10/25/2024	6/25/2028	400,000	389,890	393,480	4.3
Government of The United States	US Treasury	---	6/30/2028	1,000,000	989,660	994,473	4.2
U.S. Bancorp	Corporate	---	7/22/2028	500,000	495,909	497,086	4.8
FHLMC	Agency CMBS	10/25/2024	7/25/2028	400,000	390,425	394,000	4.3
Honda Auto Receivables Owner Trust	ABS	10/31/2024	8/15/2028	300,000	303,110	303,434	4.6
FHLMC	Agency CMBS	11/20/2024	8/25/2028	800,000	779,266	781,563	4.5
Government of The United States	US Treasury	10/31/2024	8/31/2028	500,000	500,397	503,809	4.2
FHLMC	Agency CMBS	---	9/25/2028	800,000	782,676	788,161	4.4
Toyota Auto Receivables Owner Trust	ABS	10/31/2024	10/16/2028	300,000	301,544	301,559	4.6
Government of The United States	US Treasury	---	11/15/2028	1,000,000	956,886	962,734	4.1
Realty Income Corporation	Corporate	---	12/15/2028	500,000	497,494	500,591	4.7
GM Financial Securitized Term	ABS	10/30/2024	12/18/2028	300,000	301,544	301,406	4.6

Investment Description	Issue	Purchase Date	Maturity Date	Par Value \$	Market Value \$	Purchase Price \$	Purchase Yield in %
FHLMC	Agency CMBS	12/11/2024	12/25/2028	885,000	856,371	864,500	4.4
Morgan Stanley	Corporate	---	1/24/2029	500,000	482,182	485,111	4.8
Prologis, Inc.	Corporate	10/24/2024	2/1/2029	300,000	294,869	298,323	4.5
BMW Vehicle Owner Trust	ABS	10/29/2024	2/26/2029	235,000	237,773	237,882	5.2
Government of The United States	US Treasury	10/31/2024	2/28/2029	500,000	497,663	501,914	4.2
FHLMC	Agency CMBS	---	3/25/2029	800,000	764,255	769,713	4.5
Government of The United States	US Treasury	10/24/2024	4/30/2029	500,000	470,629	476,172	4.0
Bank of America Credit Card Trust	ABS	10/28/2024	5/15/2029	325,000	328,141	328,644	4.5
The Home Depot, Inc.	Corporate	10/29/2024	6/15/2029	300,000	278,208	280,077	4.6
John Deere Owner Trust 2024-C	ABS	11/20/2024	6/15/2029	369,000	364,864	364,460	4.6
Government of The United States	US Treasury	---	6/30/2029	1,000,000	954,227	960,449	4.2
Bank of America Corporation	Corporate	---	7/23/2029	500,000	487,138	490,483	4.8
JPMorgan Chase & Co.	Corporate	---	7/23/2029	500,000	486,549	489,899	4.8
State of California	Municipal Bonds	---	8/1/2029	400,000	399,260	402,083	4.4
Toyota Motor Corporation	Corporate	---	8/9/2029	500,000	493,884	497,616	4.7
Ford Credit Auto Owner Trust	ABS	11/19/2024	8/15/2029	240,000	239,767	239,992	4.7
FHLMC	Agency CMBS	---	9/25/2029	800,000	745,641	751,094	4.5
PACCAR Inc	Corporate	10/29/2024	9/26/2029	300,000	290,161	292,719	4.6
Government of The United States	US Treasury	10/24/2024	9/30/2029	500,000	481,097	488,516	4.0
International Bank for Recon and Dev	Supranational	12/12/2024	10/16/2029	400,000	389,747	393,488	4.2
Government of The United States	US Treasury	---	10/31/2029	1,000,000	988,484	997,285	4.4
Caterpillar Inc.	Corporate	11/14/2024	11/15/2029	300,000	298,888	299,523	4.7
<b>Total and Weighted Average Yield</b>				<b>\$ 40,498,922</b>	<b>\$ 39,918,463</b>	<b>\$ 40,040,646</b>	<b>4.3</b>

**Sonoma Clean Power**  
**Statement of Transactions at USBank**  
 December 2024

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq./Disp.	Yield	Amount	Purchased/Sold Interest	Total Amount	Net Realized Gain/Loss
								\$	\$	\$	\$
Buy	12/16/2024	3137FKUP9		FHMS K-087 A2 3.771 12/25/2028			4.39				
Buy	12/3/2024	31846V203	40,716	FIRST AMER:GVT OBLG Y			---	(40,716)		(865,890)	(40,716)
Buy	12/16/2024	31846V203	1,335	FIRST AMER:GVT OBLG Y			---	(1,335)		(1,335)	(1,335)
Buy	12/19/2024	31846V203		FIRST AMER:GVT OBLG Y			---	(38)		(38)	(38)
Buy	12/26/2024	31846V203	13,244	FIRST AMER:GVT OBLG Y	98		---	(13,244)		(13,244)	(13,244)
Buy	12/13/2024	459058LN1		INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.875 10/16/2029			4.25			(395,942)	(395,942)
Buy	12/17/2024	89115A3A8		TORONTO-DOMINION BANK 4.568 12/17/2026	100		4.57			(499,990)	(499,990)
Buy	12/20/2024	912797MW4		UNITED STATES TREASURY 01/07/2025	100		4.29			(4,989,446)	(4,989,446)
Buy	12/19/2024	91282CMB4		UNITED STATES TREASURY 4.0 12/15/2027			4.35			(990,596)	(990,596)
Buy	12/31/2024	91282CME8		UNITED STATES TREASURY 4.25 12/31/2026	100		4.26			(999,844)	(999,844)
Sell	12/10/2024	31846V203	(2,005)	FIRST AMER:GVT OBLG Y			---	2,005		2,005	2,005
Sell	12/13/2024	31846V203	(357,231)	FIRST AMER:GVT OBLG Y			---	357,231		357,231	357,231
Sell	12/13/2024	31846V203	(38,711)	FIRST AMER:GVT OBLG Y			---	38,711		38,711	38,711
Sell	12/16/2024	31846V203	(820,747)	FIRST AMER:GVT OBLG Y			---	820,747		820,747	820,747
Sell	12/16/2024	31846V203	(1,335)	FIRST AMER:GVT OBLG Y			---	1,335		1,335	1,335
Sell	12/17/2024	31846V203	(499,990)	FIRST AMER:GVT OBLG Y			---	499,990		499,990	499,990
Sell	12/19/2024	31846V203	(990,558)	FIRST AMER:GVT OBLG Y			---	990,558		990,558	990,558
Sell	12/19/2024	31846V203	(38)	FIRST AMER:GVT OBLG Y			---				
Sell	12/20/2024	31846V203	(4,989,446)	FIRST AMER:GVT OBLG Y			---	4,989,446		4,989,446	4,989,446
Sell	12/31/2024	31846V203	(934,099)	FIRST AMER:GVT OBLG Y			---	934,099		934,099	934,099
Sell	12/31/2024	31846V203	(13,244)	FIRST AMER:GVT OBLG Y			---	13,244		13,244	13,244

Attachment 3: Statement of Investments Held at River City Bank

**Sonoma Clean Power**  
**Statement of Investments Held at River City Bank**  
 As of December 31, 2024

<b>Investment Description</b>	<b>Purchase Date</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Purchase Price</b>	<b>Yield to Maturity</b>	<b>Most Recent Price (MTM)</b>	<b>% Total Portfolio</b>
River City Bank CDARS, 52 weeks	8/22/2024	8/21/2025	4.53%	\$7,000,000	4.63%	\$7,000,000	10%
River City Bank CD, 2 years	9/1/2024	9/1/2026	4.25%	10,000,000	4.40%	10,108,003	14%
River City Bank CD, 2 years	9/10/2024	9/10/2026	3.75%	20,000,000	3.88%	20,190,475	29%
River City Bank CDARS, 26 weeks	9/26/2024	3/27/2025	4.46%	3,000,000	4.56%	3,000,000	4%
River City Bank CDARS, 52 weeks	9/26/2024	9/25/2025	3.59%	12,000,000	3.66%	12,000,000	17%
River City Bank CDARS, 52 weeks	10/17/2024	10/16/2025	4.28%	7,000,000	4.37%	7,000,000	10%
River City Bank CDARS, 13 weeks	11/7/2024	2/6/2025	4.74%	10,000,000	4.85%	10,000,000	14%
<b>Total</b>				<b>\$69,000,000</b>		<b>\$69,298,478</b>	<b>100%</b>

**Weighted Average Interest and Yield**

**4.10%**

**4.21%**

Attachment 4: Statement of Investments Held at the Local Agency Investment Fund

**Sonoma Clean Power**  
**Statement of Investments Held at the Local Agency Investment Fund**  
As of December 31, 2024

<b>Investment Description</b>	<b>Ending Balance</b>	<b>Yield</b>	<b>Market Value</b>
Local Agency Investment Fund	\$28,287,589	4.43%	\$28,276,896

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## Staff Report - Item 04

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**To:** Sonoma Clean Power Authority Board of Directors  
**From:** Geof Syphers, Chief Executive Officer  
**Issue:** Nominate and Approve the Appointments of Chair and Vice Chair of the Board of Directors  
**Date:** February 6, 2025

---

### **Requested Board Action**

Nominate and approve the appointments of Chair and Vice Chair of the Sonoma Clean Power Authority Board of Directors (Board).

### **Background**

The appointment of Chair and Vice Chair for the Sonoma Clean Power Board of Directors has historically been for twelve months, with the term beginning after the appointment at the February meeting and continues until the next appointment the following February.

Over the past year, staff have learned that some public agencies appoint Chairs and Vice Chairs for up to two-year terms or for two consecutive one-year terms (allowing for removal at the one-year mark). In consideration of the complexity of SCP's business, staff request the Board consider this practice.

There are no additional written materials for this item.

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## Staff Report - Item 05

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

**From:** Darin Bartow, Clerk of the Board  
Geof Syphers, Chief Executive Officer

**Issue:** Receive Welcome Orientation to the Sonoma Clean Power Authority Board of Directors

**Date:** February 6, 2025

---

### Requested Board Action

Receive Welcome Orientation to the Sonoma Clean Power Authority Board of Directors (Board).

### Background

Welcome to the Board for the Sonoma Clean Power Authority.

This item is an opportunity to receive a staff presentation about the origins and work of Sonoma Clean Power.

In future meetings in 2025, staff will bring presentations on:

- SCP's Work in Education and Workforce Development
- SCP Customer Support and Incentives
- SCP's Strategic Initiatives, including the GeoZone

### Attachments

- Attachment 1 - Key Legislation Related to SCPA
- Attachment 2 - Board Member Orientation PowerPoint

## **Key Legislation**

### **AB 32 (Nuñez, 2006) Global Warming Solutions Act of 2006**

Established broad greenhouse gas emission reduction goals in an attempt to align with the international Kyoto Protocols.

### **AB 117 (Migden, 2002) Community Choice Aggregation**

Following the Energy Crisis that caused rolling blackouts and PG&E's first bankruptcy, the legislature sought to increase public oversight of energy markets by enabling community choice public power providers.

### **SB 100 (DeLeon, 2018) Clean Energy Act**

Set requirements to reach 100% "clean" power by 2045, meaning renewable energy plus large hydropower, which is not designated as renewable in California.

### **SB 790 (Leno, 2012) CCA Protections Against For-Profit Utilities**

Instituted a code of conduct for PG&E and the other for-profit utilities that includes a prohibition against using ratepayer funds to market against CCAs and other rules attempting to limit PG&E's power to prevent successful public power operations.

### **SB 1158 (Becker, 2022) Emissions Reporting**

Requires that starting in the 2028 reporting year, power providers must stop counting excess renewable power they generate at times when their customers are not using energy. This eliminates "net metering" for power providers and has the effect of encouraging providers to build clean power resources that run in the winter and at night. Sonoma Clean Power played a key role in getting this bill passed.

### **AB 1359 (Pappan, 2024) Geothermal Exploration Permitting**

Made it possible for local counties to serve as the lead permitting agency for geothermal exploration wells, thereby allowing geothermal exploration to begin in California due to a long backlog of oil and gas litigation at the state permitting agency. This bill was sponsored by Sonoma Clean Power.



1

## Welcome to Sonoma Clean Power

Public power provider started in 2014

Self-funded through revenues. No taxes.

Elected Board of Directors.

Generates electricity for most customers in Sonoma and Mendocino Counties.

One of 24 “community choice” providers in California.

**generation**  
**SCP**  
buys cleaner energy sources, provides programs

**delivery**  
**PG&E**  
delivers energy, maintains the grid, provides bill

**customer**  
**YOU**  
cleaner energy, local control and competitive rates

2

# Service Territory

## Sonoma County Est 2014

All cities and unincorporated areas except Healdsburg, which has its own municipal utility

## Mendocino County Est 2017

All cities and unincorporated areas except Ukiah, which also has its own municipal utility



3

## Why Do We Exist?

- Help customers with high bills.
- Build affordable clean power.
- Invest in our community.
- Advocate for lower PG&E costs and better power reliability.
- Pilot energy solutions for all of California.



4

# Provide Bill Savings When We Can



## ENERGY STATEMENT

www.pge.com/MyEnergy

Account No: 1023456789-0  
 Statement Date: 12/28/2022  
 Due Date: 01/18/2023

### Service For:

MICHAEL JOSEPH  
 281 GINO DR  
 SANTA ROSA, CA 95401

### Questions about your bill?

Mon-Fri 7 a.m.-7 p.m.  
 Saturday 8 a.m.-5 p.m.  
 Phone: 1-800-743-5000  
 www.pge.com/MyEnergy

### Ways To Pay

www.pge.com/waystopay

### Your Account Summary

Amount Due on Previous Statement	Payment(s)	\$200.28
Payment(s) Received Since Last Statement		-200.28
Previous Unpaid Balance		0.00
Current PG&E Electric Delivery Charges		\$104.30
Sonoma Clean Power Electric Generation Charges		68.88
Current Gas Charges		162.66
<b>Total Amount Due by 01/18/2023</b>		<b>\$335.84</b>

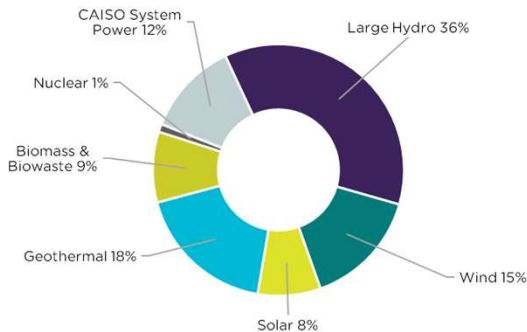
SCP customers are currently saving 7% on total electric charges.



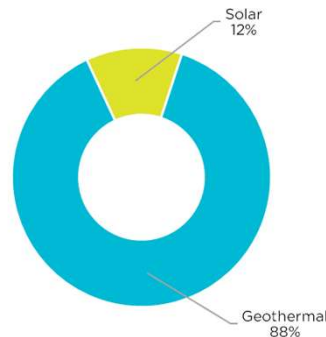
5

# 2023 Power Sources

Power source percentages for SCP from the California Energy Commission's 2023 Power Content Label.



SCP CleanStart



SCP EverGreen



6



7



8

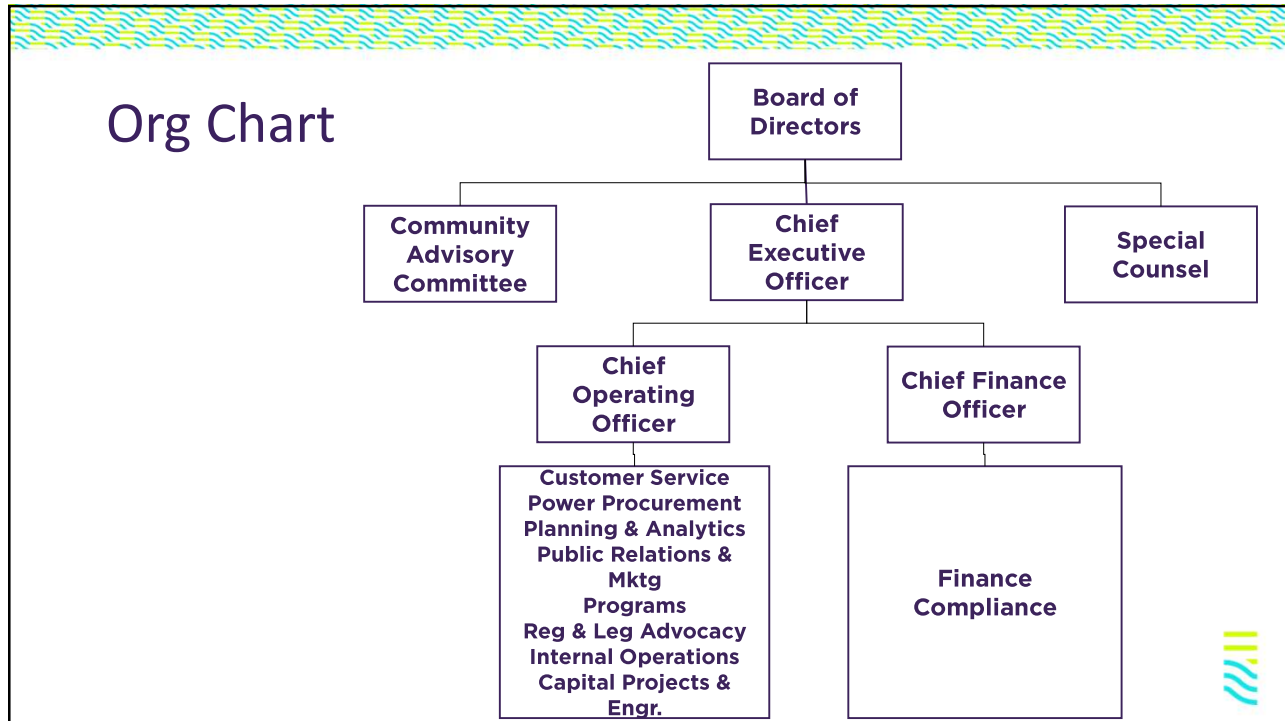




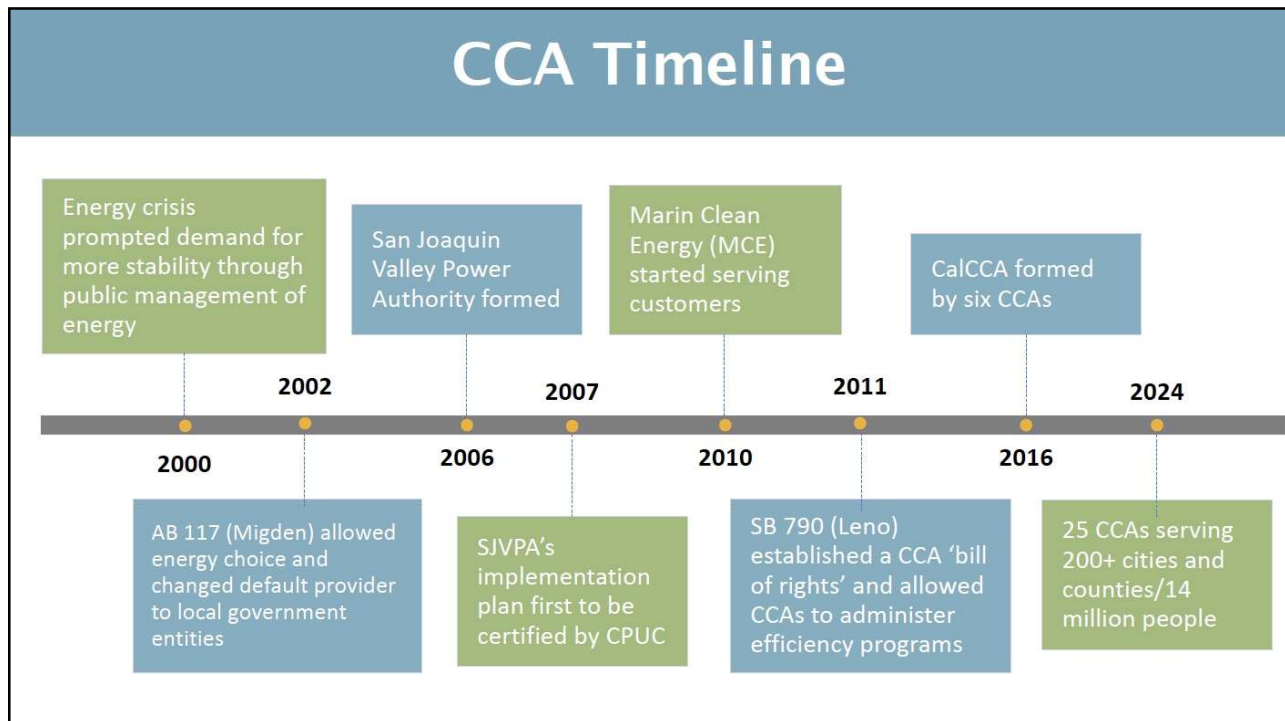
9



10



11



12



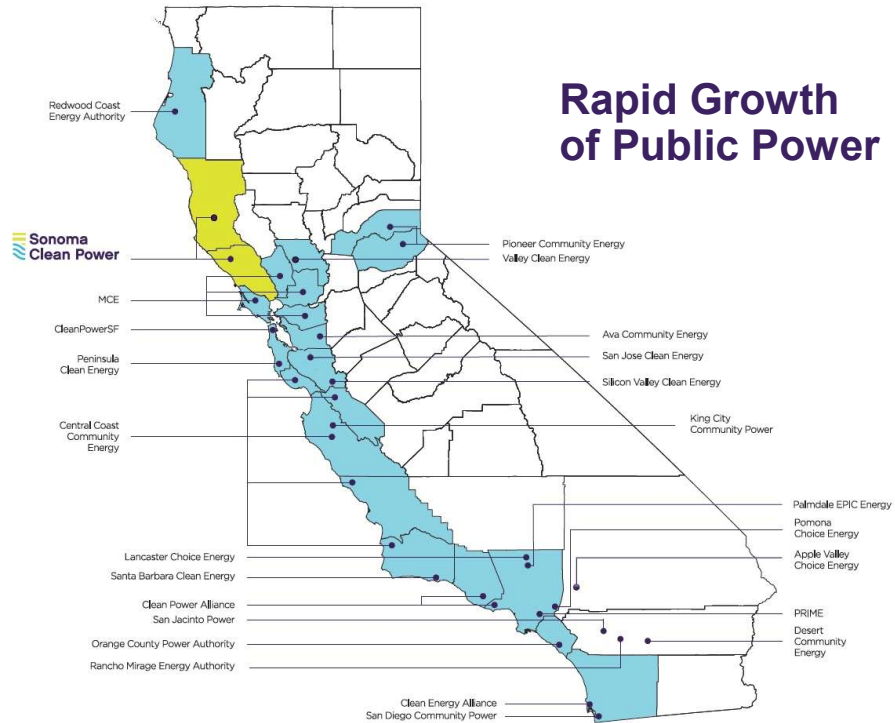
# Video: Origins of CCAs

13

24 CCAs in California





Serving over 14 million customers in more than 200 cities and counties

Constructed 14,000 MW of new renewable power and batteries



14

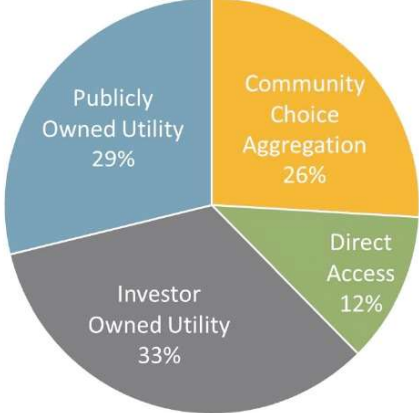
## California CCA: By the Numbers

- 
Number of California communities served by CCAs: 216
- 
Number of Counties with CCA: 21 of 58 counties (34%)
- 
Number of Cities/Towns with CCA: 195 of 462 Cities (42%)
- 
California Population served by CCAs: 14 Million+ (36%)

15

## California Retail Energy Providers

2024 Percentage of CA Retail Load by Energy Provider



Energy Provider	2024 Deliveries (GWh)
Investor-Owned Utility	82,686
Community Choice Aggregation	63,743
Energy Service Provider (DA)	28,672
Publicly Owned Utility	70,795
Statewide Electricity Deliveries	245,895

Energy Provider	2024 Deliveries (GWh)
Investor-Owned Utility	82,686
Community Choice Aggregation	63,743
Energy Service Provider (DA)	28,672
Publicly Owned Utility	70,795
Statewide Electricity Deliveries	245,895

Source: 2023 IEPR Forecast. California Energy Demand 2023-2040 Forecast - Planning Forecast

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## Early Things to Try as a Board Member

Visit our Customer Center at  
741 Fourth Street in Santa Rosa

Check out our website are at  
[www.SonomaCleanPower.org](http://www.SonomaCleanPower.org)

Ask your constituents what matters  
most to them when they think about  
energy.



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## Staff Report - Item 06

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

**From:** Stephanie Reynolds, Director of Internal Operations  
Mike Koszalka, Chief Operating Officer  
Garth Salisbury, Chief Financial Officer & Treasurer

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

**Date:** February 6, 2025

---

### **DECEMBER 2024 EARTHQUAKE RESPONSE**

On December 5, 2024, a magnitude 7.0 earthquake near Humboldt County triggered a tsunami warning, impacting parts of Mendocino County with widespread outages and evacuation orders. Governor Gavin Newsom declared a State of Emergency for Del Norte, Humboldt, and Mendocino Counties. As a precaution, Sonoma Clean Power (SCP) enacted emergency consumer protections, pausing late payment notices, non-payment drops, collections, and related activities for Mendocino County customers. Over the following month, SCP collaborated with PG&E to assess property impacts, confirming no red-tagged premises and no protections enacted by PG&E. On January 7, 2025, SCP lifted its protections and resumed standard operations.

### **HELPING COMMERCIAL CUSTOMERS SAVE ON POWER COSTS**

To achieve an agency goal to directly serve customer needs by helping them reduce costs, SCP's Commercial Customer Service staff identified and contacted thirty-four small commercial customers paying considerably more for their power than we would expect.

These customers were charged on a PG&E rate meant for larger use customers. They were essentially mis-rated and paying higher PG&E daily fixed charges, along with demand charges that only large-use customers are required to pay.

By advising these customers directly that they are better served by changing their accounts from rate B-10 to rate B-1, they collectively would reduce their expected annual power bills by \$172,000. These were charges predominantly paid to PG&E for transmission and delivery. The impact on generation by changing rates meant that the SCP's annual revenue would only fall by \$1,200.

One customer provides not-for-profit housing for seniors, and they were paying the B-10 fixed charges for a meter that only registers 87 kWh annually.

The greatest cost reductions were achieved for a warehouse that occasionally powers a fire protection pump for just minutes a month. But for the limited kilowatt-hours used, they were charged \$20,500 more than they needed to pay.

PG&E controls rates, and the utility has rules in place that make the customer responsible for choosing their best rate option.

## **PROPERTY AT 421 E STREET, UPDATE**

SCP Staff issued a Request for Proposals (RFP) on October 1, 2024, for architectural and engineering design services for the renovation of 421 E Street. The building will serve as office space, meeting rooms, and storage for SCP staff. SCP received three responses to the RFP on October 22, 2024. AXIA Architects was awarded the project based on their qualifications, experience, references, budget, and timeline. AXIA Architects is a local firm based on Mendocino Avenue in Santa Rosa. The AXIA team also includes local engineering services for mechanical, electrical, structural, and cost estimating. The process will include concept design, design development, and full construction documents required for permitting and bidding.

Concept design kicked off on December 9, 2024, and construction documents are expected to be completed by June 2025, with a public contract bidding process commencing thereafter. Once a contractor is selected and under contract, the construction timeline is expected to take 3-4 months to complete.

## **PROGRAMS UPDATES**

### *Inflation Reduction Act (IRA) Heat Pump Heating and Cooling Incentives*

California received \$45 million through the IRA for Phase I of the Home Electrification and Appliance Rebates (HEEHRA) program, which provides incentives up to \$8,000 to income-qualified single and multi-family homes for heat pump heating and cooling systems. The program is managed by the California Energy Commission (CEC) and

Phase I is in partnership with the TECH Clean California rebate program. As these funds have already been received by the State of California, they are not at risk of being rolled back.

To help support SCP customers in applying for these rebates, SCP aligned its rebate qualifications and income-eligibility to match HEEHRA's for ease and simplification. HEEHRA participants are eligible to receive a rebate from SCP of 50% of the project cost (up to \$10,000), after all rebates have been applied.

Marketing outreach is underway to raise awareness and encourage customers to take advantage of available rebates. The marketing campaign includes direct mail, targeted email campaigns, and digital ads to drive customers to SCP via phone or web, confirm eligibility, and provide step-by-step assistance. Through this outreach, SCP is guiding customers through the process of applying for HEEHRA and how to layer SCP rebates. A screenshot from the SCP website shows this process.

### Step 1: Check Income Eligibility

Verify eligibility for HEEHRA rebates through the [HEEHRA Income Eligibility Portal](#).

### Step 2: Find a Certified Contractor

Use the [Switch Is On Contractor Finder](#) to locate a contractor with the HEEHRA Rebate Badge. They will confirm your eligibility and apply the HEEHRA rebate to your project cost.

### Step 3: Apply for Additional SCP Rebates

SCP rebates can cover up to **50% of your project costs** (up to \$10,000) after HEEHRA and TECH rebates are applied. To apply, submit your application [here](#).

SCP rebate check will arrive in 2–3 weeks after approval.

Mailers have been sent targeting 80,000 eligible customers, targeted emails are being sent to 70,000 qualifying customers, and digital ads are running. In addition, it is featured as a prominent message on our website home page (as of 1/27).

To date, SCP has incentivized 6 HEEHRA projects and spoken with an additional 13 customers who plan to apply, with more expected in the coming weeks.

### *Heat Pump Water Heater Incentives for Public Buildings*

PG&E currently funds the Government and K-12 Energy Efficiency program, managed by Willdan, that purchases and installs residential-sized heat pump water heaters (HPWH) in public agency buildings at a low cost. In 2022, Sonoma Clean Power partnered with Willdan to provide gap funding to install these projects at no-cost.

SCP's funding provides up to \$3,100 per installed HPWH. To date, 24 HPWHs have been installed in public buildings including public works yards, recreation centers, senior centers, and fire stations.

Given the significant impact of this offer, SCP has budgeted an additional \$160,000 in funding for two years that would fund 52 additional HPWHs. In addition to upgrading government buildings, this program is now more accessible for schools to participate.

Each HPWH unit installed through the program participates in load management and demand response programs, helping to lower peak electricity demand. These water heaters can adjust their electricity use based on grid conditions, heating water when demand is lower, or renewable energy availability is higher and pausing heating when there is strain on the grid, avoiding the need to activate carbon-intensive power plants. By leveraging PG&E funding and layering it on top, SCP is making an impact while maximizing ratepayer dollars.

#### *Weatherization Education Collaboration with the California Indian Museum and Cultural Center*

The California Indian Museum and Cultural Center (CIMCC) requested that Sonoma Clean Power provide weatherization education in accordance with their CalEPA Emergency Preparedness grant. SCP's staff, Kimberly Beltran and Aubrie Hunt, will provide six educational workshops on weatherization techniques with a focus on mitigating wildfire smoke infiltration. These workshops will take place between 2025 and 2026 and expect to reach 120 attendees.

#### **MONTHLY COMPILED FINANCIAL STATEMENTS (October/November 2024)**

The year-to-date change in net position is more than projections by approximately \$31,473,000. Year-to-date revenue from electricity sales is over budget by approximately 13% and cost of energy is under budget projections by approximately 11%. Year-to-date electricity sales reached \$123,664,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$276,264,000, which indicates healthy growth as SCP continues to make progress towards its reserve goals. Approximately \$231,889,000 is set aside for operating reserves.



## **BUDGETARY COMPARISON SCHEDULE (October/November 2024)**

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 of 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 the budget by approximately 13% at the end of the reporting period.

The cost of electricity was less than the budget-to-date by approximately 11%. 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**

- October and November 2024 Financial Statements

## **UPCOMING MEETINGS**

- Community Advisory Committee - February 20, 2025
- Board of Directors - March 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 four months ended October 31, 2024, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of Sonoma Clean Power Authority.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. Sonoma Clean Power Authority's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

*Maher Accountancy*

San Rafael, CA  
December 5, 2024

**SONOMA CLEAN POWER AUTHORITY -  
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND -  
Four Months Ended October 31, 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
<b>REVENUE AND OTHER SOURCES:</b>						
Electricity (net of allowance) *	\$ 89,060,715	\$ 101,410,565	\$ 12,349,850	114%	\$ 239,147,000	\$ 137,736,435
Evergreen Premium (net of allowance)	900,000	1,065,078	165,078	118%	2,700,000	1,634,922
Investment returns	2,400,000	5,568,139	3,168,139	232%	7,200,000	1,631,861
Miscellaneous Income	333,200	259,478	(73,722)	78%	1,000,000	740,522
<b>Total revenue and other sources</b>	<b>92,693,915</b>	<b>108,303,260</b>	<b>15,609,345</b>	<b>117%</b>	<b>250,047,000</b>	<b>141,743,740</b>
<b>EXPENDITURES AND OTHER USES:</b>						
<b>CURRENT EXPENDITURES</b>						
Cost of energy and scheduling	67,308,065	60,139,034	(7,169,031)	89%	221,586,000	161,446,966
Data management	893,333	1,105,629	212,296	124%	2,680,000	1,574,371
Service fees- PG&E	330,000	321,718	(8,282)	97%	990,000	668,282
Personnel	3,736,548	3,390,515	(346,033)	91%	11,490,000	8,099,485
Energy Center, marketing & communications	1,126,173	895,385	(230,788)	80%	3,379,000	2,483,615
Customer service	116,000	33,451	(82,549)	29%	220,000	186,549
General and administration	624,912	537,797	(87,115)	86%	1,832,000	1,294,203
Legal	158,333	43,048	(115,285)	27%	475,000	431,952
Regulatory and compliance	153,333	97,418	(55,915)	64%	460,000	362,582
Accounting	84,800	92,000	7,200	108%	312,000	220,000
Legislative	73,333	56,000	(17,333)	76%	220,000	164,000
Other consultants	181,967	160,918	(21,049)	88%	535,000	374,082
Industry memberships and dues	295,600	263,528	(32,072)	89%	888,000	624,472
Program implementation	3,418,204	927,776	(2,490,428)	27%	10,136,000	9,208,224
<b>Total current expenditures</b>	<b>78,500,601</b>	<b>68,064,217</b>	<b>(10,436,384)</b>	<b>87%</b>	<b>255,203,000</b>	<b>187,138,783</b>
<b>OTHER USES</b>						
Capital outlay	366,667	169,513	(197,154)	46%	1,150,000	980,487
Total expenditures, other uses	78,867,268	68,233,730	(10,633,538)	87%	256,353,000	188,119,270
Net increase (decrease) in available fund balance	\$ 13,826,647	\$ 40,069,530	\$ 26,242,883		\$ (6,306,000)	\$ (46,375,530)

\* Represents sales of approximately 712,000 MWh for 2024/25 YTD actual.

	Balance - as of June 30, 2024	Long-Term Targeted	% of Long-Term Target
<b>RESERVES</b>			
Operating Reserve	\$ 231,889,000	\$ 255,203,000	91%

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

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 40,069,530
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(477,749)
Add back capital asset acquisitions	169,513
Change in net position	\$ 39,761,294



## ACCOUNTANTS' COMPILATION REPORT

Management  
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of October 31, 2024, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the four months 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  
December 5, 2024

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of October 31, 2024

### ASSETS

#### Current assets

Cash and cash equivalents - unrestricted	\$ 136,685,000
Cash and cash equivalents - restricted for grant purposes	2,166,398
Accounts receivable, net of allowance	20,118,405
Other receivables	2,845,488
Accrued revenue	11,136,793
Prepaid expenses	1,064,450
Deposits	121,858
Investments	58,315,333

Total current assets 232,453,725

#### Noncurrent assets

Cash and cash equivalents - unrestricted	56,000,000
Investments	48,807,753
Other receivables	1,025,782
Deposits	16,256
Capital assets, net of depreciation	18,292,739

Total noncurrent assets 124,142,530

Total assets 356,596,255

### LIABILITIES

#### Current liabilities

Accrued cost of electricity	18,281,219
Accounts payable	1,069,677
Advances from grantors	2,166,398
Other accrued liabilities	7,498,108
User taxes and energy surcharges due to other governments	716,821
Supplier security deposits	204,000

Total current liabilities 29,936,223

#### Noncurrent liabilities

Supplier security deposits	1,380,121
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Total liabilities 31,316,344

### DEFERRED INFLOWS OF RESOURCES

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

Investment in capital assets	18,292,739
Unrestricted	250,987,172
Total net position	<u>\$ 269,279,911</u>

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

**OPERATING REVENUES**

Electricity sales, net	\$ 101,410,565
Evergreen electricity premium	1,065,078
Miscellaneous income	43,500
Grant revenue	215,978
Total operating revenues	102,735,121

**OPERATING EXPENSES**

Cost of electricity	60,139,034
Contract services	2,939,390
Staff compensation	3,390,515
Program rebates and incentives	793,953
Other operating expenses	801,325
Depreciation	477,749
Total operating expenses	68,541,966
Operating income	34,193,155

**NONOPERATING REVENUES (EXPENSES)**

Investment income	5,568,139
Nonoperating revenues (expenses), net	5,568,139

**CHANGE IN NET POSITION**

	39,761,294
Net position at beginning of year	229,518,617
Net position at end of period	\$ 269,279,911

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS Four Months Ended October 31, 2024

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 109,708,528
Receipts of security deposits	2,729,879
Other operating receipts	441,163
Payments to electricity suppliers	(59,458,652)
Payments for other goods and services	(3,744,928)
Payments of staff compensation	(3,344,039)
Payments of tax and surcharges to other governments	(1,325,447)
Payments for program rebates and incentives	(766,070)
Net cash provided (used) by operating activities	<u>44,240,434</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(197,516)</u>
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### CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	5,425,139
Proceeds from investment sales and maturities	148,547,134
Purchase of investments	(72,846,918)
Net cash provided (used) by investing activities	<u>81,125,355</u>

Net change in cash and cash equivalents	125,168,273
Cash and cash equivalents at beginning of year	<u>69,683,125</u>
Cash and cash equivalents at end of period	<u>\$ 194,851,398</u>

### Reconciliation to the Statement of Net Position

Cash and cash equivalents - unrestricted (current)	136,685,000
Cash and cash equivalents - restricted (current)	2,166,398
Cash and cash equivalents - unrestricted (noncurrent)	56,000,000
Cash and cash equivalents	<u>194,851,398</u>



**SONOMA CLEAN POWER AUTHORITY**

**STATEMENT OF CASH FLOWS**

**(Continued)**

**Four Months Ended October 31, 2024**

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

Operating income (loss)	\$ 34,193,155
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	477,749
(Increase) decrease in:	
Accounts receivable, net	2,052,142
Other receivables	(1,035,804)
Accrued revenue	3,837,826
Prepaid expenses	(172,444)
Deposits	2,533,501
Increase (decrease) in:	
Accrued cost of electricity	(942,195)
Accounts payable	17,093
Advances from grantors	(215,978)
Accrued liabilities	3,477,919
User taxes due to other governments	17,470
Net cash provided (used) by operating activities	<u>\$ 44,240,434</u>

**NONCASH INVESTING ACTIVITIES**

Unrealized appreciation and timing differences in investment income	\$ 143,000
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## 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 five months ended November 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  
January 6, 2025

**SONOMA CLEAN POWER AUTHORITY**  
**BUDGETARY COMPARISON SCHEDULE - OPERATING FUND**  
**Five Months Ended November 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
<b>REVENUE AND OTHER SOURCES:</b>						
Electricity (net of allowance) *	\$ 108,115,990	\$ 122,359,388	\$ 14,243,398	113%	\$ 239,147,000	\$ 116,787,612
Evergreen Premium (net of allowance)	1,125,000	1,305,375	180,375	116%	2,700,000	1,394,625
Investment returns	3,000,000	6,747,276	3,747,276	225%	7,200,000	452,724
Miscellaneous Income	416,500	279,478	(137,022)	67%	1,000,000	720,522
Total revenue and other sources	<u>112,657,490</u>	<u>130,691,517</u>	<u>18,034,027</u>	<u>116%</u>	<u>250,047,000</u>	<u>119,355,483</u>
<b>EXPENDITURES AND OTHER USES:</b>						
<b>CURRENT EXPENDITURES</b>						
Cost of energy and scheduling	82,441,595	73,359,071	(9,082,524)	89%	221,586,000	148,226,929
Data management	1,116,667	1,585,203	468,536	142%	2,680,000	1,094,797
Service fees- PG&E	412,500	411,441	(1,059)	100%	990,000	578,559
Personnel	4,670,685	4,263,920	(406,765)	91%	11,490,000	7,226,080
Energy Center, marketing & communications	1,407,716	1,060,879	(346,837)	75%	3,379,000	2,318,121
Customer service	126,750	33,451	(93,299)	26%	220,000	186,549
General and administration	772,423	683,412	(89,011)	88%	1,832,000	1,148,588
Legal	197,917	50,900	(147,017)	26%	475,000	424,100
Regulatory and compliance	191,667	143,603	(48,064)	75%	460,000	316,397
Accounting	134,800	159,900	25,100	119%	312,000	152,100
Legislative	91,667	72,000	(19,667)	79%	220,000	148,000
Other consultants	226,083	187,594	(38,489)	83%	535,000	347,406
Industry memberships and dues	369,500	304,732	(64,768)	82%	888,000	583,268
Program implementation	4,339,404	1,033,083	(3,306,321)	24%	10,136,000	9,102,917
Total current expenditures	<u>96,499,374</u>	<u>83,349,189</u>	<u>(13,150,185)</u>	<u>86%</u>	<u>255,203,000</u>	<u>171,853,811</u>
<b>OTHER USES</b>						
Capital outlay	458,333	169,513	(288,820)	37%	1,150,000	980,487
Total expenditures, other uses	<u>96,957,707</u>	<u>83,518,702</u>	<u>(13,439,005)</u>	<u>86%</u>	<u>256,353,000</u>	<u>172,834,298</u>
Net increase (decrease) in available fund balance	<u>\$ 15,699,783</u>	<u>\$ 47,172,815</u>	<u>\$ 31,473,032</u>		<u>\$ (6,306,000)</u>	<u>\$ (53,478,815)</u>

\* Represents sales of approximately 893,000 MWh for 2024/25 YTD actual.

	Balance - as of June 30, 2024	Long-Term Targeted	% of Long-Term Target
<b>RESERVES</b>			
Operating Reserve	<u>\$ 231,889,000</u>	<u>\$ 255,203,000</u>	<u>91%</u>

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

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 47,172,815
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(597,431)
Add back capital asset acquisitions	169,513
Change in net position	\$ 46,744,897



## 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 November 30, 2024, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the five months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. Sonoma Clean Power Authority's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

*Maher Accountancy*

San Rafael, CA  
January 6, 2025

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of November 30, 2024

### ASSETS

#### Current assets

Cash and cash equivalents - unrestricted	\$ 131,640,708
Cash and cash equivalents - restricted for grant purposes	2,166,398
Accounts receivable, net of allowance	16,602,772
Other receivables	2,955,965
Accrued revenue	14,333,169
Prepaid expenses	1,013,792
Deposits	125,586
Investments	58,318,716

Total current assets 227,157,106

#### Noncurrent assets

Cash and cash equivalents - unrestricted	56,000,000
Investments	58,815,601
Other receivables	1,014,408
Deposits	16,256
Capital assets, net of depreciation	18,173,057

Total noncurrent assets 134,019,322

Total assets 361,176,428

### LIABILITIES

#### Current liabilities

Accrued cost of electricity	21,433,864
Accounts payable	1,359,499
Advances from grantors	2,166,398
Other accrued liabilities	1,720,209
User taxes and energy surcharges due to other governments	648,823
Supplier security deposits	204,000

Total current liabilities 27,532,793

#### Noncurrent liabilities

Supplier security deposits	1,380,121
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Total liabilities 28,912,914

### DEFERRED INFLOWS OF RESOURCES

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

Investment in capital assets	18,173,057
Unrestricted	258,090,457
Total net position	<u>\$ 276,263,514</u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**Five Months Ended November 30, 2024**

**OPERATING REVENUES**

Electricity sales, net	\$ 122,359,388
Evergreen electricity premium	1,305,375
Miscellaneous income	63,500
Grant revenue	215,978
Total operating revenues	123,944,241

**OPERATING EXPENSES**

Cost of electricity	73,359,071
Contract services	3,847,311
Staff compensation	4,263,920
Program rebates and incentives	890,743
Other operating expenses	988,144
Depreciation	597,431
Total operating expenses	83,946,620
Operating income	39,997,621

**NONOPERATING REVENUES (EXPENSES)**

Investment income	6,747,276
Nonoperating revenues (expenses), net	6,747,276

**CHANGE IN NET POSITION**

	46,744,897
Net position at beginning of year	229,518,617
Net position at end of period	\$ 276,263,514

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS Five Months Ended November 30, 2024

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 131,429,532
Receipts of security deposits	3,330,000
Other operating receipts	472,537
Payments to electricity suppliers	(69,893,165)
Payments for other goods and services	(4,855,338)
Payments of staff compensation	(4,209,643)
Payments of tax and surcharges to other governments	(1,606,072)
Payments for program rebates and incentives	(862,860)
Net cash provided (used) by operating activities	<u>53,804,991</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(197,516)</u>
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### CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	6,145,311
Proceeds from investment sales and maturities	148,547,134
Purchase of investments	(88,175,939)
Net cash provided (used) by investing activities	<u>66,516,506</u>

Net change in cash and cash equivalents	120,123,981
Cash and cash equivalents at beginning of year	<u>69,683,125</u>
Cash and cash equivalents at end of period	<u><u>\$ 189,807,106</u></u>

### Reconciliation to the Statement of Net Position

Cash and cash equivalents - unrestricted (current)	131,640,708
Cash and cash equivalents - restricted (current)	2,166,398
Cash and cash equivalents - unrestricted (noncurrent)	56,000,000
Cash and cash equivalents	<u><u>189,807,106</u></u>



**SONOMA CLEAN POWER AUTHORITY**

**STATEMENT OF CASH FLOWS**

**(Continued)**

**Five Months Ended November 30, 2024**

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

Operating income (loss)	\$ 39,997,621
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	597,431
(Increase) decrease in:	
Accounts receivable, net	5,567,775
Other receivables	(747,930)
Accrued revenue	641,450
Prepaid expenses	(121,786)
Deposits	2,529,773
Increase (decrease) in:	
Accrued cost of electricity	2,472,778
Accounts payable	306,915
Advances from grantors	(215,978)
Accrued liabilities	2,827,470
User taxes due to other governments	(50,528)
Net cash provided (used) by operating activities	<u>\$ 53,804,991</u>

**NONCASH INVESTING ACTIVITIES**

Unrealized appreciation and timing differences in investment income	\$ 601,965
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## Staff Report - Item 07

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**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:** February 6, 2025

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### Requested Action

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

### Regulatory Updates

#### **PG&E Proposes to Withdraw CSU Monterey Bay Campus Electrification Pilot**

On January 7<sup>th</sup> PG&E submitted a Motion to Withdraw Application 22-08-033 for a zonal electrification pilot project at California State University Monterey Bay (CSUMB). The utility initially proposed this pilot in collaboration with CSUMB in August of 2022. It would have de-carbonized 400 housing units at the campus and avoided costly upgrades to PG&E's natural gas, also known as the fossil methane (FM) distribution system.

PG&E cited several reasons for now deciding to withdraw from the pilot. These included operational challenges and delays in procuring equipment for FM pipeline replacements, as well as higher than expected environmental remediation costs. Disagreements over cost-effectiveness, legal precedent, and recovery of project costs were also factors. The utility also acknowledged negative feedback from stakeholders and a new CPUC proceeding developing metrics and priorities for similar projects as rationale for withdrawing.

Sonoma Clean Power was supportive of this pilot to pursue building decarbonization on a significant scale. Fortunately, the recently initiated proceeding to evaluate strategic gas line decommissioning will provide SCP with the opportunity to engage in advocacy to inform statewide planning and ensure consideration of pilots in our territory. The goal of that proceeding is to identify 30 pilot projects, likely at a smaller scale than the CSUMB proposal, by 2026. Consistent with the policy directives adopted by this Board, SCP staff will continue to advocate for proactive and strategic replacement of aging FM infrastructure with enhanced electrical capacity to enable cost-effective fuel switching.

### **Legislative Updates**

The 2025-2026 legislative session has kicked off, and the Legislature will be working through mid-September of this year before adjourning until next January. The service territory of Sonoma Clean Power is represented by five Democratic legislators: Mike McGuire and Christopher Cabaldon in the Senate and Cecilia Aguiar-Curry, Damon Connolly, and Chris Rogers in the Assembly. Senator McGuire currently serves as President Pro Tempore (leader) of the Senate, although he will be leaving the Legislature in 2026 due to term limits. Sonoma Clean Power staff is engaging with those legislators and many others on several fronts, including at CalCCA's state legislative "lobby day" on January 29<sup>th</sup>; Geothermal Rising's lobby day on February 13<sup>th</sup>; and Sonoma Clean Power's own lobby day on March 4<sup>th</sup>.

### **Sponsored Legislation**

Last year, Sonoma Clean Power was the proud sponsor of Assembly Bill 1359 (Papan), which was signed into law by Governor Newsom. This new law allows local governments to serve as the lead agency for approving new geothermal exploration wells and resolved a significant legal threat to the success of SCP's GeoZone effort.

Today, California's regulatory environment continues to present a challenge to the success of new geothermal projects across our state, including through the GeoZone. For background, California's renewable energy policies have done an excellent job of creating very high demand for clean resources like geothermal power that can run at night and in the winter. But while the demand side of the equation is positive - and even while California has a superior geology and workforce for geothermal development as compared to other states - the perceived regulatory challenges nonetheless mean that many geothermal developers are choosing to site their projects in places like Nevada and Utah and sell into the California market. (See, for

example, Fervo Energy's recent deal to sell hundreds of megawatts from their Cape Station project in Utah to Southern California Edison.) SCP believes that encouraging more geothermal development in California could have several benefits, including reinvesting customer money and creating well-paid, highly skilled jobs locally; building reliability and energy independence in our communities, not elsewhere; and avoiding transmission costs associated with shipping power across the West. California should also be the tip of the spear in terms of incubating the next generation of clean energy technologies and should probably not be relying on local governments in other states to approve projects in order for our climate ambitions to become reality.

In that vein, Sonoma Clean Power staff have developed several ideas for legislation to sponsor in 2025:

- *NEPA/CEQA alignment:* Several months ago, President Biden drafted a new categorical exclusion from the National Environmental Policy Act (NEPA) for geothermal exploration projects meeting the gold standard of environmental stewardship. This was based on the Bureau of Land Management's assessment that geothermal exploration projects, when completed under a high-bar environmental standard, have a minimal environmental impact. Over 60% of Utah and over 80% of Nevada is federal land where this exclusion applies. California has a similar opportunity to create a narrow, targeted exemption from the California Environmental Quality Act (CEQA) - our equivalent to NEPA - to align with the federal exclusion. This proposal would similarly require that a geothermal exploration project meet the gold standard of environmental protection and also mandate that all workers on a project benefitting from the proposed exemption be paid the prevailing wage. SCP staff are exploring opportunities to work with labor, key environmental organizations, and others on this proposal.
- *Geothermal action plan:* In 2021, the Governor signed Assembly Bill 525 (Chiu), which directed the state to create a strategic roadmap for bringing offshore wind development into California. While the relevant offshore wind proposals continue to face a variety of challenges, AB 525 was successful at its intended purpose - paving the way for needed changes to law and regulation to begin. SCP's proposed legislation would do something similar for the in-state development of new geothermal resources (both conventional hydrothermal as well as next-generation technologies). State agencies would

be required to identify state lands to lease for geothermal development; review geothermal lease rental and royalty rates to ensure competitiveness with other states; harmonize relevant permitting timelines; and take a variety of other steps to improve the regulatory environment around geothermal, all as part of a comprehensive action plan.

*Allowing geothermal power to use the “opt-in” process:* Today, renewable energy developers can choose to site and permit their projects through what is typically called the “opt-in” process at the California Energy Commission. The idea is that the Energy Commission serves as a “one-stop shop” for all siting, permitting, and regulatory issues to move projects more quickly. A high level of community engagement and review are still required. Because only projects 50 MW in size or greater can use this process, most geothermal power plants (which are typically 10, 20, or 30 MW in size) are functionally excluded. This is even though a geothermal power plant running around the clock can produce as much energy as a far larger solar or wind project that is intermittent. This legislation would simply clarify that a geothermal power plant of any size can be approved through the “opt-in” process.

### **Local Political Update**

On January 22, Sonoma State University announced serious budget cuts designed to address the university’s lower enrollment rates and the California State University System’s overall 8% cut in funding. The proposed cuts eliminate numerous staff and professors, entire departments and many of the majors that Sonoma Clean Power staff have earned over the years. CEO Syphers’ letter to the Board of Trustees calling for a more thoughtful plan is attached.

### **Attachments**

- Attachment 1 - SCP Letter re: SSU Cuts



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

January 28, 2025

Chairman Jack B. Clarke Jr. and Board of Trustees  
California State University  
401 Golden Shore  
Long Beach, CA 90802

Dear Chairman Clarke,

I am writing to express my deep concern regarding the risk that would be created by implementing the disproportionate financial cuts recently announced for Sonoma State University (SSU). The scale of these cuts without a long-term plan for addressing the root cause of declining enrollment jeopardizes the university's existence. As an alumnus of SSU in the applied physics program and the CEO of Sonoma Clean Power, I have witnessed firsthand the vital role this university plays in our region's economy.

SSU's contributions extend far beyond the campus. For decades, its programs—such as the Masters in Public Administration, Physics, Economics, and Earth and Environmental Sciences—have served as a pipeline for highly skilled professionals in Northern California. These programs have been instrumental in workforce development, supporting local businesses, governments, and organizations like mine that rely on SSU graduates for their expertise. Sonoma Clean Power hires many of these graduates. The elimination of these programs will have ripple effects across the region, crippling industries that depend on a steady flow of educated professionals.

#### *A Long-Term Plan*

The enrollment decline at SSU begs for a clear long-term plan, one that does not *just* involve budget cuts, but one that also lowers the risk of exacerbating the decline. SSU's current identity as a liberal arts institution would be thrown into question with the proposed elimination of so many departments and majors. So what is its new identity? This question should not *follow* budget cuts; it should precede them.

#### *Proven Methods for Increasing Enrollment*

The *breadth* of the cuts also creates new risks for the continued viability of SSU. Historically, the CSU has mitigated budget shortfalls at underenrolled campuses by directing applicants elsewhere in the system to the underenrolled campuses. I've also seen expanded partnerships with community colleges, such as at CalPoly Humboldt, alleviate some expenses while preserving critical majors. A newer problem is that the CalState Apply online application process is rejecting students for overly rigid reasons and inviting them to appeal after they are rejected, a process that is daunting and leaving many seeking admission elsewhere. Repairing that online process would increase access and enrollment. Strategies such as these could bolster enrollment and preserve critical majors at SSU, but they appear absent in this proposal.

The North Bay has no other institution like SSU. Eliminating core academic programs, all athletics and entire departments jeopardizes not only the university's ability to attract students but also its mission to serve the workforce needs of our region.

I respectfully request that the Board of Trustees support a rapid effort to articulate the long-term vision for SSU and then ensure any budget cuts support that vision. Additionally, I urge the Board to reinstate proven strategies, such as enrollment management, deeper partnerships with our community college, and fixing the online application tool to help close the budget gap without sacrificing the educational and economic lifeblood of the North Bay.

Thank you for your attention to this matter. I am confident that with thoughtful consideration and creative solutions, we can preserve the North Bay's only educational institution of its kind.

Sincerely,



Geof Syphers, CEO

Cc: ! CSU Board of Trustees  
Chancellor Mildred Garcia  
Interim SSU President Emily F. Cutrer  
Senator pro Tempore Mike McGuire  
Senator Christopher Cabaldon  
Assemblymember Damon Connelly  
Assemblymember Cecilia Aguiar-Curry  
Assemblymember Chris Rogers





## Staff Report - Item 08

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**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:** February 6, 2025

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### 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 eventually 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>.

### Partner Updates

SCP has cooperation agreements with three private companies to progress geothermal exploration and development in the GeoZone. Below are partner-specific updates for progress in the GeoZone.

#### ***Chevron New Energies***

At the end of last year, Chevron New Energies publicly disclosed that they acquired property known as the Pocket Ranch, which is located between Geyserville and the

Geysers, with the intent to explore for geothermal energy. This information was shared with Geyserville organizations, including the Geyserville Alexander Valley Municipal Advisory Council. Chevron New Energies is planning on participating in an upcoming Geyserville Planning Committee meeting to answer community questions.

Chevron New Energies also recently shared with SCP that while the company continues to support geothermal development in the GeoZone, they are uncertain as to when activity will commence. Some additional learning from global and U.S. research into EGS will be valuable before this particular site is proposed for exploration. In the meantime, Chevron New Energies has let us know they are in contact with local authorities to ensure proper land and fire management. Chevron New Energies' decision to delay active exploration in the GeoZone will require them to be withdrawn from consideration for the Department of Energy Enhanced Geothermal System grant for which they were selected.

Although staff are disappointed by the delay and decision to forgo grant funding, they are focused on capturing lessons learned and opportunities from Chevron New Energies to inform regulatory and political advocacy opportunities to further promote development interest in the GeoZone. Those lessons are informing staff's legislative proposals in Item 7 of this board meeting. Chevron New Energies' cooperation agreement with SCP requires completion of several key milestones, including permitting and interconnection, by March 2026 which may be at risk with a project delay. Staff appreciate Chevron's continued interest in future development for the GeoZone but will be considering a variety of options in early 2025 to propose to the SCP Board of Directors on how to sustain momentum on the GeoZone's objectives.

### **Eavor**

Eavor has completed its technical feasibility study of developing a closed-loop system in the GeoZone and prioritizing the GeoZone project within its portfolio of global projects. Eavor is continuing to evaluate potential site host opportunities. Eavor's cooperation agreement milestones, which include site control for a pilot and submission of an interconnection application, are due June 30, 2025. It is not expected that Eavor will meet all these milestones, and as with Chevron, staff will be considering options early this year on how to proceed. Eavor has expressed that its GeoZone project is still a strategic priority for the company, is technically feasible, and continues to be promising commercially.

## **Cyrg Energy**

SCP submitted two grant abstracts in late 2024 for the GeoZone thermal energy storage system at the Geysers to both the California Energy Commission (CEC) and the Department of Energy (DOE). The abstract to the CEC was not selected to proceed. After meeting with the CEC staff, SCP learned that the abstract score was very high and was of strategic interest but declined due to the CEC's decision to enforce a strict 50% round-trip efficiency cut-off for applications. SCP is working on an advocacy strategy to educate the CEC on why a round-trip efficiency cutoff is not a good measure of performance for thermal storage, which can charge very quickly with low or even negatively priced energy.

SCP's grant abstract to the DOE, which was part of a very competitive solicitation with 141 submissions, was encouraged as one of only 41 projects to proceed to a full application. To proceed to a full application, the grant team will need to receive a formal commitment from an existing geothermal operator at the Geysers to host the demonstration. The project team is engaging site hosts as well as weighing the risk of DOE funds in the new administration before deciding whether to proceed with a full application which would be due in March.

Meanwhile, SCP staff met with the CEC staff working on revisions to the guidelines for counting Renewable Portfolio Standard (RPS) energy. A key risk to the project is that the current guidelines would unfairly reduce the RPS-eligible energy from a geothermal plant that hosts a thermal energy storage system. SCP has started aggressive advocacy on the need for guidelines that allow the RPS-eligibility of a geothermal plant to be preserved. The reception from CEC staff on this issue has been positive, and they've followed up with multiple questions that suggest they are actively considering the changes needed to address the issue.

## **Community Engagement**

SCP's outreach to key stakeholders and community groups on the GeoZone is continuing. In the past several months, SCP staff have met with and briefed several local groups in the GeoZone early interest area, including the Geyserville/Alexander Valley Municipal Advisory Council and the Alexander Valley Association, in addition to continuing to build relationships with key labor and environmental organizations, elected officials, and others. In addition, SCP staff, with the help of K Street Consulting, are beginning the consultation process with local tribal governments.

SCP will also be hosting a town hall meeting on the GeoZone at the Cloverdale Veterans Building on Thursday, February 6 from 5:30 – 7:00 PM. The event will feature Sonoma County Supervisor James Gore, Cloverdale Mayor and SCP Board member Todd Lands, North Bay Building Trades Secretary/Treasurer Michael Allen (tentative), and others. All are welcome to attend.

### **Regional Planning Grant**

SCP collaborated with the counties of Sonoma and Mendocino in submitting a grant application to the California Energy Commission (CEC) in January to fund subsurface modeling, analysis of remote sensing data, surface constraint analysis, community engagement, planning staff development, and surveillance surveys to proactively plan for geothermal development in the region. The National Renewable Energy Laboratory (NREL) has agreed to participate as the main provider of technical services for the project. If awarded, SCP is excited about the potential for the project to augment the capabilities of county staff in planning and permitting geothermal development, as well as guide the geothermal industry to site projects that minimize ecological and cultural impacts. SCP will be providing staff time without reimbursement to the grant project to provide its perspective as a power provider and expertise from the GeoZone, as well as support in administering contracts to NREL and subcontractors. SCP's letter of commitment for the grant application is included as Attachment 1. SCP anticipates notifications on selected grantees in March.

### **Committee Discussion**

During the Committee GeoZone discussion on January 16<sup>th</sup>, committee members questioned whether the updates from Chevron and Eavor would push back the completion date of GeoZone projects by several years. Staff shared that while the exact schedule of any GeoZone development is not yet established, SCP is committed to identifying opportunities to sustain forward momentum with the GeoZone with the hope that any delays at this stage would be measured in months rather than years—especially if lessons learned are incorporated into shaping the best path forward. The Committee also asked whether staff would consider partnering with another developer further along with out-of-state EGS development. Staff shared that they consider that as an option.

Another Committee concern was whether the local conditions that enable the Geysers' productivity as a conventional hydrothermal field make it less desirable for

development with next-generation technologies. Staff affirmed that the reservoir depletion and high temperatures in the region present challenges that are not present in other next-generation developments but shared that the partners believe these challenges can be overcome and still see a future where development in the GeoZone with next-generation technologies is both technically feasible and financially viable.

### **Attachments**

- Attachment 1 - Letter of Commitment for Sonoma County's grant application to the California Energy Commission



# Sonoma Clean Power

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

January 23, 2025

Robert Pennington  
Permit Sonoma  
County of Sonoma  
2550 Ventura Avenue  
Santa Rosa, CA 95403

RE: SCP Letter of Commitment GFO-23-402: Geothermal Grant & Loan Program - Sonoma-Lake-Mendocino Proactive Regional Geothermal Planning Project

Dear Mr. Pennington,

Sonoma Clean Power (“SCP”) is pleased to provide this letter of commitment for Sonoma County’s application to the California Energy Commission’s GFO-23-402: Geothermal Grant & Loan Program application. SCP is the community choice aggregation (“CCA”) serving Sonoma and Mendocino County and has started the Geothermal Opportunity Zone (“GeoZone”) initiative to expand the capacity of local geothermal resources through a public-private partnership.

In the GeoZone initiative, SCP has committed to serving as off-taker for innovative projects developed by industry while providing support in community engagement, commercial input, and support in pursuing grant funding. SCP is excited to contribute its expertise from its leadership in the GeoZone, geothermal industry relationships, and strong track record of administering other CEC grants to the proposed project. Sonoma County’s project addresses many key local barriers to geothermal development with an approach that is data-driven, responsive to community input, and tailored to provide deliverables that will have long-lasting value to local government, the industry, and stakeholders.

SCP is committing in-kind labor and travel to the project valued at **\$164,170** to the project. The valuation of SCP’s in-kind contribution is detailed in its Budget Form in Attachment 7 and is consistent with the cost estimation guidelines for the grant. SCP’s personnel hours are based on a detailed activity-specific estimate and reflect the key role SCP is expected to provide in grant administration, subcontracting, overseeing technical deliverables, organizing a field visit, and facilitating community engagement over the three year term of the grant. The personnel dedicated to the project are already on staff and included in SCP’s budget. SCP has a strategic interest in local geothermal development and does not anticipate any challenges in prioritizing staffing to support the proposed project.

Sincerely,



Geof Syphers  
Chief Executive Officer



## Staff Report - Item 09

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

**From:** Geof Syphers, Chief Executive Officer  
Mike Koszalka, Chief Operating Officer  
Rebecca Simonson, Director of Capital Projects and Engineering

**Issue:** Approve Purchasing Policy for Local Energy Projects

**Date:** February 6, 2025

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### Recommendation

Approve a Purchasing Policy for Local Energy Projects.

### Background

The Board established SCP's local investment fund at their meeting on November 2, 2023. The fund is intended to provide funds for SCP to own assets with a goal of generating revenues for the purpose of lowering customer rates over the long term. At the December 5, 2024, meeting, the Board also voted to contribute 2% of 2025 revenues to this fund.

The local investment fund will be used to acquire, build, own, and operate revenue generating assets. Such assets may require time-sensitive and expedited action, such as placing offers or bids on land for the development of energy assets.

Recently, an auction was held for a previously developed site in Mendocino County. Due to the timing of the auction, SCP staff were unable to secure prior approval from the Board to place a bid, which resulted in a missed opportunity.

To prevent this situation from occurring in the future, staff seeks the Board's approval to delegate authority to the CEO to make binding offers or bids on behalf of SCP, within certain limitations established and approved by the Board.

## **Community Advisory Committee Review**

The Community Advisory Committee unanimously recommended approving the policy at their January 16, 2024, meeting.

## **Discussion**

Staff recommend that the Board delegate authority to the CEO to make binding offers or bids on assets subject to the following limitations:

1. The investment shall not cause the cumulative total of investments to exceed 33% of the Local Investment Fund balance at the beginning of the fiscal year.
2. The property or asset is located in Sonoma or Mendocino counties;
3. The property or asset is for the purpose of constructing energy generating and/or storage assets;
4. The Board Chair and Vice Chair and the SCP Board Director representing the jurisdiction the parcel is in are notified prior to making any offer/bid;
5. If the offer/bid is accepted, all expenditures in excess of \$250,000 are reported at the next Board meeting.

## **Attachments**

- Proposed Purchasing Policy for Local Energy Projects



## **Purchasing Policy for Local Energy Projects**

Power procurement expenditures are governed by Policy C.1 Energy Risk and all other expenditures are governed by Policy B.1 CEO Spending Authority. For acquiring assets for the development and/or ownership of Sonoma Clean Power local energy projects, the CEO is authorized to make binding offers or bids on assets without prior Board of Directors or Community Advisory Committee review or approval provided that:

1. The investment shall not cause the cumulative total of investments to exceed 33% of the Local Investment Fund balance at the beginning of the fiscal year.
2. The property or asset is located in Sonoma or Mendocino counties;
3. The property or asset is for the purpose of constructing energy generating and/or storage assets;
4. The Board Chair and Vice Chair and the SCP Board Director representing the jurisdiction the parcel is in are notified prior to making any offer/bid;
5. If the offer/bid is accepted, all expenditures in excess of \$250,000 are reported at the next Board meeting.

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## Staff Report - Item 10

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**To:** Sonoma Clean Power Authority Board of Directors  
**From:** Geof Syphers, Chief Executive Officer  
**Issue:** Receive Presentation and Provide Input on a Draft Energy Project Selection Criteria  
**Date:** February 6, 2025

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### Recommendation

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

### Background

The SCP Board of Directors provided input on guidelines for drafting project selection criteria during the November 7, 2024, meeting. The Board was expected to review a draft set of criteria for procurement on December 5, 2024, but an earthquake interrupted the meeting and caused the item to be held until the February 6, 2025, meeting.

Fortunately, the earthquake allowed additional time for staff to confer with Local 551, the CCA Workforce and Environmental Justice Alliance, renewable energy developers and California municipal utilities to further refine the proposal. Staff greatly appreciated having the extra opportunity to edit and improve on the procurement recommendations.

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

## Attachments

- Draft Project Selection Criteria
- CCA Workforce and EJ Alliance Proposed Project Selection Methodology, available at [this link](#) or by request from the Clerk of the Board
- Board Policy - B.1 CEO Spending Authority - Reinstated 2024.04.04, available at [this link](#) or by request from the Clerk of the Board
- Board Policy - SCPA Energy Risk\_Amended 2023.04.06, available at [this link](#) or by request from the Clerk of the Board

# DISCUSSION DRAFT

Feb 6, 2025

## PROJECT SELECTION METHODOLOGY

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Sonoma Clean Power Authority (SCP) exists to provide public benefits, including protecting customers from sudden large changes in costs, lowering customer energy costs, reducing greenhouse gas emissions, investing in SCP's local service territory, creating high quality jobs in SCP's service territory, providing community services in SCP's territory, and advocating for improved grid reliability and safety. This project selection methodology adds new voluntary goals relating to the workforce constructing new energy, capacity and energy storage resources and the community and environmental impacts of those construction projects.

It is the goal of SCP to sustain all of the agency's existing public benefits while seeking to add these new project-related goals. The Board recognizes that adding new project selection criteria could, at times, increase costs and customer rates and therefore seeks to minimize any new costs.

### I. DEFINITIONS

- A. **Energy Offtake Agreement:** Power purchase agreements, energy storage agreements, or resource adequacy only agreements for new-build, in front of the meter, wholesale resources where SCP does not own or construct the resource. Instead, SCP's participation in the project is limited to receiving energy and any applicable attributes at a set price and term. Energy offtake agreements for *existing* resources are not a part of this criteria.
- B. **Journey person:** Is a worker who either:
  - 1) Graduated from a California state-approved apprenticeship program for the applicable occupation or, when located outside California, is approved for federal purposes pursuant to apprenticeship regulations adopted by the Secretary of Labor, or
  - 2) Has at least as many hours of on-the-job experience in an applicable occupation as would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the California Division of Apprenticeship Standards.

- C. **Local Hire:** Is a worker who is either:
- 1) A resident within the nearest communities in proximity to the project, as reasonably determined on a project-by-project basis (for example, further distances are allowable for rural projects); or
  - 2) Is a resident of Sonoma or Mendocino counties.
- D. **Priority Worker:** means an individual who resides in one of SCP's designated Empower communities or is otherwise designated as a targeted hire or priority worker through a state-certified career training and placement program.
- E. **Small and Local Business:** means a business that meets both of these criteria:
- 1) Has a fixed place of business with a street address in Sonoma or Mendocino Counties and having a valid business license issued by a jurisdiction in Sonoma or Mendocino Counties for at least the past six months; and
  - 2) A business which has been certified to meet the U.S. Small Business Administration (SBA) size standards for its classification, OR meets any other official small business criteria established by Sonoma or Mendocino Counties.
- F. **Targeted Hire Program:** is pipeline program which:
- 1) Partners with a Multi-Craft Core Curriculum (MC3) pre-apprenticeship program or programs, or equivalent industry and state-recognized certificated career training and placement program that recruits, supports and places Priority Workers in skilled construction trades; and
  - 2) Creates opportunities for a Priority Worker to enter registered apprenticeship programs and/or obtain work hours needed to successfully complete their apprenticeship; or
  - 3) Recruits and places income-qualified Journeypersons.

## II. PROJECT SELECTION METHODOLOGY

SCP considers responses to questions relating to the following criteria when selecting resources, while reserving the right to contract for resources that do not provide all requested information.

SCP procurement must comply with the procurement obligations in (A) and must also contribute to SCP's mission in some manner, as delineated in (B). The considerations of which resources to procure that meet both (A) and (B) are then described in no particular order in (C) through (I).

### A. Comply with Procurement Obligations

- 1) SCP's first obligation is to comply with state mandates to procure energy and related resources.
- 2) SCP's second obligation is to procure resources to fulfill the governing Board of Directors' adopted Integrated Resource Plan.

### B. Contribution to SCP's mission of Affordable, Renewable and Reliable Service

- 1) Assessment of affordability and value. Assessment of the project's projected revenues and avoided costs across all relevant day-ahead, real-time and ancillary markets, considering the project's expected change in value over the term of the contract, and its ability to manage, shift, or arbitrage existing SCP generation to maximize revenue and achieve SCP's systemwide greenhouse gas reduction goals.
- 2) Assessment of the contribution of the resource to clean grid reliability.
- 3) Assessment of counterparty risk. Assessment and evaluation of the risk that a counterparty will fail to perform, or adequately remedy, its obligations.
- 4) Assessment of development risk. Assessment of the risk that the project is unable to obtain interconnection, deliverability, site control, entitlements, financing, or other necessary development milestones required to deliver the project by the anticipated online date.

**C. Workforce: Energy Offtake Agreements**

SCP will prioritize new Energy Offtake Agreements where the developer is committed to:

- 1) Highest priority projects will commit to a multi-trade project labor agreement. Within this category, projects having the following goals will be ranked higher:
  - i. A goal of 30% of all project labor hours performed by Local Hires.
  - ii. Participation in a Targeted Hire Program with a goal of 10% of all project labor hours performed by Priority Hires.
- 2) Medium-priority projects will commit to utilization of prevailing hourly wage and benefit rates as determined by the California Department of Industrial Relations for California projects and state or federal prevailing wage and benefit rates for out-of-state projects.
- 3) Low-priority projects would fail to meet the previous criteria, but may include other workforce commitments and goals.

**D. Workforce: Large Owned Resources**

When considering contractors or developers for SCP-owned generation or storage projects requiring a Large Generator Interconnection Agreement from the California Independent System Operator (currently 20MW and larger), SCP will use commercially reasonable efforts to negotiate a multi-trade project labor agreement having:

- 1) A goal of 30% of all project labor hours performed by Local Hires.
- 2) Participation in a Targeted Hire Program with a goal of 10% of all project labor hours performed by Priority Hires.
- 3) A commitment to subcontracting with Small and Local Businesses.

**E. Workforce: Small Owned Resources**

When considering contractors or developers for SCP-owned generation or storage projects requiring a Small Generator Interconnection Agreement from the California Independent System Operator (currently less than 20MW), SCP will commit to:

- 1) Utilization of prevailing hourly wage and benefit rates as determined by the California Department of Industrial Relations.
- 2) Utilization of apprentices at the same ratio of apprentice hours to journeyman hours as required for public works projects. Generally, this is one apprentice hour per every five hours of



journeywork per craft.

- 3) Demonstrated commitment to Local and Priority Hires:
  - i. A goal of 30% of all project labor hours performed by Local Hires while incenting, through a negotiated contract structure, the contractor or developer to achieve a minimum of 60% of all project labor hours performed by Local Hires, and;
  - ii. A goal of 10% of all labor hours performed by Priority Hires.
- 4) Demonstrated effort to subcontract with Small and Local Businesses.

**F. Innovation**

SCP recognizes that achieving its adopted climate goals will require significant improvements and innovation in geothermal energy, pumped hydropower energy storage, offshore wind, imported wind, long duration battery energy storage, scaling up demand response, transmission and distribution infrastructure and potentially many other technologies that have potential to lower customer costs while also lowering greenhouse gas emissions and air and water pollution.

SCP will prioritize projects that accelerate decarbonization and/or reduce costs for SCP customers while remaining cost competitive with for-profit power providers. Priority will be given to technologies that solve multiple problems and have potential to scale regionally or globally.

**G. Location**

Subject to a careful consideration of systemwide value and ratepayer costs, SCP prioritizes projects in accordance with the following priority order:

- 1) Projects located within Sonoma or Mendocino counties.
- 2) Projects delivering directly into the California Independent System Operator.
- 3) All other projects.

#### H. **Environmental Stewardship**

SCP is committed to leading by providing customers with affordable energy that delivers benefits for air, water, the climate and the natural environment.

Without diminishing or interfering with permitting, planning land use, or development requirements of any authority having jurisdiction, including local, state and federal agencies, SCP prioritizes projects that:

- 1) Have the potential to enable the permanent retirement of once-through cooling power plants when sufficient similar projects reach scale in California, or
- 2) Are in urban areas or on previously developed, disturbed, or contaminated land that can be re-purposed, or
- 3) Where the developer and local land use authority have established an enforceable development agreement which, in part, sets forth measures to mitigate impacts to sensitive habitats or environmentally sensitive areas and comply with any adopted habitat conservation plans, or
- 4) Which provide other specific environmental benefits prioritized by SCP's Board of Directors.

#### I. **Benefits Accruing to Underserved and Low-Income Communities**

SCP is committed to helping communities overcome barriers to their access to public investments, resources, education, and information about energy service and policy. SCP will prioritize projects that:

- 1) Demonstrate having established contacts with local community organizations and stakeholder groups representing a broad diversity of demographics and interests with which it intends to collaborate with to identify and address benefits and impacts of projects and ensure project benefits are communicated and accessible to the local community.
- 2) Commit to meaningful engagement with local communities throughout the entitlement and construction processes to identify and address the impacts of projects and ensure project benefits are communicated and accessible to the local community.

### **III. REPORTING**

SCP will assess project proposals in accordance with this Project Selection Methodology and compile and report data and metrics, as appropriate, through the annual GO-156 Supplier Diversity Report.

### **IV. RESERVATION OF AUTHORITY TO WAIVE PROJECT SELECTION CRITERIA**

The SCP Board Chair and Vice Chair may waive this Project Selection Criteria or any portion thereof, to:

- J. Address an emergency or unforeseen situation that jeopardizes the safety or feasibility of a project; or
- K. Comply with a California State or Federal executive or regulatory order or law.

### **V. CONSISTENT APPLICATION**

SCP staff shall abide by this policy when procuring resources, regardless of whether those resources are procured directly or through a third party.