

AGENDA BOARD OF DIRECTORS MEETING THURSDAY, AUGUST 7, 2025, 9:00 A.M.

EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 54953(F), MEMBERS OF THE BOARD OF DIRECTORS MAY PARTICIPATE IN THE AUGUST 7, 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**. For detailed public comment instructions, **please visit this page**. Please note that live remote public comment will not be taken unless required by Government Code section 54953(f). If required, it will be announced by the Chair. Members of the public should attend in person or provide written comment to ensure they can provide public comment.

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

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

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

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

CALL TO ORDER

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

BOARD OF DIRECTORS CONSENT CALENDAR

			_
•		Approve July 10, 2025, Draft Board of Directors Meeting Minutes (Staff Recommendation: Approve)	pg. 5
2	2.	Receive Monthly Financial Report (Staff Recommendation: Receive and File)	pg. 11
;	3.	Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File)	pg. 23
4	1.	Receive Internal Operations Report (Staff Recommendation: Receive and File)	pg. 27
ļ	5.	Receive Legislative and Regulatory Updates (Staff Recommendation: Receive and File)	pg. 33
I	ВОА	ARD OF DIRECTORS REGULAR CALENDAR	
(Appoint an Ad Hoc Committee for the Community Advisory Committee Recruitment Process (Staff Recommendation: Approve)	pg. 37
-	7.	Receive Update on Tribal Engagement Efforts (Staff Recommendation: Receive and File)	pg. 39
8		Approve Salary Increase and Annual Contract Goals for Chief Executive Officer Geof Syphers (Staff Recommendation: Approve)	pg. 47
(Adopt a Resolution 2025-03 to Award the Construction Contract for the 421 E Street Tenant Improvement Project to the Low Bidder, Carr's Construction Service, Inc. in the Amount of \$1,526,000 and Authorize the Chief Executive Officer to Execute a Construction Contract and Approve Change Orders Up to Twenty Percent of the Contract Price (Staff Recommendation: Approve)	pg. 53
•		Approve Proposed Generation Rates Effective September 1, 2025 (Staff Recommendation: Approve)	pg. 61
•	11.	Receive Presentation on Funding Partnership and Loan Opportunity for Local Small Business Support Hub; Approve \$500,000 Funding Partnership and Delegate Authority to the Chief Executive Officer to Negotiate and Finalize Details on a Secured Loan to Nexo Media Foundation 501(c)3 Not to Exceed \$4 Million (Staff Recommendation: Approve)	pg. 65
•	12.	Adopt a Resolution 2025-04 Offering Participation in Sonoma Clean Power to Unincorporated Lake County, the City of Clearlake, and the City of Lakeport Subject to Specific Criteria (Staff Recommendation: Approve)	pg. 83

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

(Directors may report on their activities since the last Board meeting, including any reports required by Gov't Code Section 53232.3(d).)

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.)

CLOSED SESSION

13. Conference With Legal Counsel–Existing Litigation (Paragraph (1) of Subdivision (d) of Section 54956.9) Name of case: CPUC OIR to Update and Reform Energy Resource Recovery Account and Power Charge Indifference Adjustment Policies and Processes, R. 25-02-005

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

Page intentionally left blank for double-sided printing



DRAFT MEETING MINUTES BOARD OF DIRECTORS MEETING THURSDAY, JULY 10, 2025 9:00 A.M.

CALL TO ORDER

(9:00 a.m. - Video Time Stamp: 00:01:00)

Chair Barnacle called the meeting to order.

Board Members present: Chair Barnacle, Directors Lemus, Albin-Smith, Zollman, Potter, Haschak, and Alternate Director Stapp. Vice Chair Elward and Directors Laskey and Hopkins were absent without prior notice. Director Farrar-Rivas was absent with prior notice.

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Garth Salisbury, Chief Financial Officer and Treasurer; Stephanie Reynolds, Director of Internal Operations; Felicia Smith, Director of Programs; Bryan Wolfe, Marketing Specialist; Adam Jorge, Senior Decarbonization Policy Manager; Miles Horton, Legislative Policy & Community Engagement Manager; Caroyln Glanton, Programs Operations Manager and Josh Nelson, Special Counsel.

BOARD OF DIRECTORS CONSENT CALENDAR

(9:01 a.m. - Video Time Stamp: 00:01:47)

- 1. Approve June 5, 2025, Draft Board of Directors Meeting Minutes
- 2. Receive Monthly Financial Report
- 3. Approve Proposed Amendment to Customer Service Policy A.3 Late Payment Noticing, Transfer of Service, Pre-Collection Noticing, Collections and A.6 Emergency Consumer Protection Policy
- 4. Approve and Authorize the Chief Executive Officer or his Designee to Execute Task Order #2 of the Foundational Professional Agreement with the

Sacramento Municipal Utility District for Debt Collection Services Effective through December 31, 2029

- 5. Receive Geothermal Opportunity Zone Update
- 6. Adopt Resolution 2025-01 Authorizing the Chief Executive Officer to Satisfy Federal or State Regulatory Requirements for Financial Assurances

Motion to approve July 10, 2025, Board of Directors Consent Calendar by Director Haschak

Second: Zollman

Motion passed by roll call vote

AYES: Lemus, Albin-Smith, Barnacle, Stapp, Zollman, Potter, Haschak

ABSENT: Laskey, Elward, Farrar-Rivas, Hopkins

BOARD OF DIRECTORS REGULAR CALENDAR

7. Receive Internal Operations Report and Provide Direction as Appropriate (9:03 a.m. - Video Time Stamp: 00:02:52)

Stephanie Reynolds, Director of Internal Operations, introduced three new SCP staff members. Bryan Wolfe, Marketing Specialist, addressed the recent rise in door-to-door contacts involving individuals falsely claiming to represent or partner with PG&E or SCP. Mr. Wolfe clarified that neither PG&E nor SCP conducts door-to-door sales and noted SCP's current ad campaign warning residents about similar scams and offering safety tips. Chair Barnacle asked if SCP has any legal recourse against impersonators. CEO Geof Syphers responded that while it's difficult to identify the responsible parties, SCP prioritizes customer safety and will file complaints with authorities if specific organizations can be identified.

Director Reynolds announced that SCP received the *North Bay Business*Journal "Best Places to Work" award for the seventh consecutive year. CEO
Syphers then introduced local artist Peter Spencer, whose artwork will be on
display at SCP through October. CEO Syphers also reported on recent
discussions with the Lake County Board of Supervisors regarding potential
expansion. Next steps include legal consultations between SCP and Lake
County attorneys, as well as SCP staff presentations at town halls. He added

that supervisors inquired whether participation in the GeoZone initiative is tied to joining SCP and requested guidance on this.

Chair Barnacle asked if there are different ways that a county could participate in the GeoZone effort. CEO Syphers responded that multiple participation models may be possible, as GeoZone details are still being developed.

Public Comment: None

9:09 a.m. Vice Chair Elward entered the meeting.

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

(9:22 a.m. - Video Time Stamp: 00:22:26)

CEO Geof Syphers introduced Adam Jorge, Senior Decarbonization Policy Manager, who reported that allocations from the Greenhouse Gas Reduction Fund are still being determined and that SCP is monitoring developments. CEO Syphers added that the CPUC approved changes to the Power Charge Indifference Adjustment (PCIA) fee. He noted that CalCCA is currently discussing possible responses from CCAs. Chair Barnacle asked for a closed session on this matter, which Director Zollman supported.

Miles Horton, Legislative Policy & Community Engagement Manager, provided updates on SCP's bills. He reported that AB 527 is in the Senate Natural Resources Committee's suspense file and has received some pushback. He also announced that AB 531 is scheduled for review in the Senate Environmental Quality Committee next week. Chair Barnacle encouraged board members to contact their representatives in support of the bills.

CEO Syphers discussed the recent passage of HR 1. He explained that the resolution reduces support for renewables while increasing subsidies for fossil fuels. CEO Syphers noted major cuts to tax credits for wind, solar, residential energy systems, and EVs—though geothermal credits remain unaffected. He committed to providing a written report on the impacts at a future meeting. Chair Barnacle asked whether other CCAs could help advocate for AB 527 and Mr. Horton confirmed that one CCA has agreed to reach out to the head of the committee.

Public Comment: None

There were no positions taken on legislation, so no vote was necessary.

9. Receive Update on Programs that Accelerate Building Efficiency and Electrification

(9:36 a.m. - Video Time Stamp: 00:36:18)

Felicia Smith, Director of Programs, introduced the ongoing "Customer Programs Presentation Series" at board meetings and welcomed Carolyn Glanton, Programs Operations Manager. Ms. Glanton gave a presentation on SCP's building efficiency and electrification programs.

Director Albin-Smith asked if Programs staff participate in outreach fairs. Ms. Glanton confirmed that the team attends various in-person events. Chair Barnacle inquired whether the rate assistance program is part of the efficiency programs. Ms. Glanton clarified that rate assistance is handled by customer service, either in person or by phone, but Programs provides information about potential savings when customers receive electrification rebates.

Director Lemus asked how customers can get an energy box. Ms. Glanton explained that they can be ordered online and shipped directly to homes.

Chair Barnacle asked if SCP promotes energy boxes to low-income housing residents. Ms. Glanton confirmed that the Programs team conducts outreach and has distributed boxes at events held at apartment complexes. Chair Barnacle emphasized that going electric offers many benefits, including increased home value.

Public Comment: None

10. Adopt Resolution 2025-02 Authorizing Entry into a \$100,000,000 Revolving Credit Agreement with Royal Bank of Canada

(9:50 a.m. - Video Time Stamp: 00:50:44)

Garth Salisbury, Chief Financial Officer and Treasurer, presented a proposed three-year agreement aimed at increasing SCP's liquidity and overall financial resilience. He noted that there is no immediate need to draw on the funds and that the agreement was selected through a competitive bidding process. CFO Salisbury explained that of the four qualified bids received, this option was the strongest, and SCP successfully negotiated even better terms.

Director Lemus asked if any Canadian tariffs affect U.S. banking. CFO Garth Salisbury confirmed there are none. Director Haschak expressed support for the agreement. Chair Barnacle asked whether the RFP prioritized banks that do not fund fossil fuels. CFO Salisbury explained that while the RFP included specific criteria, all qualifying banks do fund fossil fuels but are also financing the transition to renewable energy. Chair Barnacle requested information on the Royal Bank of Canada's climate commitments. CFO Salisbury agreed to provide it to the board. Chair Barnacle also proposed reviewing SCP's procurement policies to ensure RFPs align with organizational values. Director Zollman expressed support for this review.

Public Comment: None

Motion to adopt resolution 2025-02 authorizing entry into a \$100,000,000 revolving credit agreement with Royal Bank of Canada by Alternate Director Stapp

Second: Director Haschak

Motion passed by roll call vote

AYES: Lemus, Albin-Smith, Barnacle, Elward, Stapp, Zollman, Potter, Haschak

ABSENT: Laskey, Farrar-Rivas, Hopkins

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

(10:04 a.m. - Video Time Stamp: 01:04:38)

Director Lemus shared that Cotati's Kid's Day parade will be happening on Saturday. Zollman shared that there are music events every Wednesday night in Sebastopol, with music at *Peacetown Summer Concerts* and at the Barlow. Chair Barnacle mentioned that Petaluma will be hosting *River Town Revival* on July 18th and 19th and the *Petaluma Music Festival* on August 6th.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(10:07 a.m. - Video Time Stamp: 01:07:23)

Public Comment: None

CLOSED SESSION ITEMS

(10:08 a.m. - Video Time Stamp: 01:08:33)

- 11. Conference With Real Property Negotiators Property: Assessor's Parcel Numbers: 009-054-033; 009-012-011; Agency Negotiators: Geof Syphers, Rebecca Simonson; Negotiating Parties: Allen Gloria Mae Trust; Langendorf Andrews Lisa et al.; Under Negotiation: Price and Terms of Payment
- 12. Conference with Labor Negotiators Agency Designated Representatives: Chair Barnacle, Vice Chair Elward; Unrepresented Employee: Chief Executive Officer (Gov't Code Section 54957.6)
- 13. Public Employee Performance Evaluation Chief Executive Officer (Gov't Code Section 54957)

Public Comment: None

Josh Nelson, Special Counsel, stated that if a Closed Session Report Out was necessary, it would be done at the August 7, 2025, Board of Directors meeting.

ADJOURN

(10:08 a.m. - Video Time Stamp: 01:08:49)



Staff Report - Item 02

To: Sonoma Clean Power Authority Board of Directors

From: Garth Salisbury, Chief Financial Officer & Treasurer

Chris Golik, Senior Finance Manager

Issue: Receive Monthly Financial Report

Date: August 7, 2025

Monthly Financial Report

The Financial Report is to inform the Board of Directors (Board) of monthly financial results and investment activity. Additionally, the Monthly Financial Report will include an Investment Report which is a summary of investments and investment activity in SCP's portfolio. The Investment Report and associated attachments are to inform the Board pursuant to the requirements of SCP's Financial Policy B.5 Investments and Government Code Section 53607. This is an informational item only.

Monthly Compiled Financial Statements (April 30, 2025)

Relative to the amended budget, the year-to-date change in net position is more than projections by approximately \$14,693,000. Year-to-date revenue from electricity sales is below projections by less than 1% and cost of energy is under projections by approximately 6%. Year-to-date electricity sales reached \$221,887,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$296,108,633, which indicates healthy growth as SCP continues to make progress towards its reserve goals. Approximately \$231,889,000 is set aside for operating reserves as of June 30, 2024.

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

Budgetary Comparison Schedule (April 30, 2025)

The accompanying budgetary comparison includes the amended 2024/25 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 Amended Budget, allocates the Board approved annual budget at expected levels throughout the year with consideration for the timing of additional customers, usage volumes, staffing needs etc. This column represents our best estimates, and this granular approach was not part of the Board approved budget.

Revenue from electricity sales to customers was under the amended budget by less than 1% at the end of the reporting period.

The cost of electricity was less than the budget-to-date by approximately 6%. 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.

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

Monthly Investment Report

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 and stakeholders 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 and stakeholders 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 (June 2025). 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). As of June 30th, CAM managed about \$60 million of SCP's reserves. All investments directed by CAM are held at SCP's custodian, USBank. All investments held as of June 30, 2025, at USBank appear as Attachment 3 with new holdings purchased in June highlighted. USBank transaction details for the month of June, including sales and maturities of securities, are in Attachment 4. Additionally, the June 2025 account statement prepared by CAM can be found at this link.

River City Bank

A detailed statement of the investments held at River City Bank as of June 30, 2025, appears as Attachment 5. There were no investment transactions in the month of June at River City Bank.

State of California Local Agency Investment Fund

The LAIF investment balance as of June 30, 2025, appears as Attachment 6.

Attachments

- ➤ Attachment 1 April 2025 Financial Statements
- > Attachment 2 April 2025 Budgetary Statement
- ➤ Attachment 3 Statement of Investments Held at USBank, available at <u>this link</u> or by request to the Clerk of the Board
- Attachment 4 Statement of Transactions at USBank, available at this link or by request to the Clerk of the Board
- Attachment 5 Statement of Investments Held at River City Bank, available at this link or by request to the Clerk of the Board
- Attachment 6 Statement of Investments Held at the Local Agency Investment Fund, available at this link or by request to the Clerk of the Board



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 April 30, 2025, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the ten 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 July 21, 2025

STATEMENT OF NET POSITION As of April 30, 2025

ASSETS	
Current assets	
Cash and cash equivalents - unrestricted	\$ 111,660,197
Cash and cash equivalents - restricted for grant purposes	2,002,255
Accounts receivable, net of allowance	13,173,323
Other receivables	3,235,833
Accrued revenue	9,353,413
Prepaid expenses	913,597
Deposits	6,122,690
Investments	70,938,820
Total current assets	217,400,128
Noncurrent assets	
Cash and cash equivalents - unrestricted	56,000,000
Investments	88,523,562
Other receivables	939,572
Deposits	16,000
Capital assets, net of depreciation	17,728,407
Total noncurrent assets	163,207,541
Total assets	380,607,669
LIABILITIES	
Current liabilities	
Accrued cost of electricity	20,488,350
Accounts payable	1,348,923
Advances from grantors	2,002,255
Other accrued liabilities	1,993,630
User taxes and energy surcharges due to other governments	619,757
Supplier security deposits	666,000
Total current liabilities	27,118,915
Noncurrent liabilities	
Supplier security deposits	1,380,121
Total liabilities	28,499,036
DEFERRED INFLOWS OF RESOURCES	
Rate stabilization fund	56,000,000
	, , ,
NET POSITION	
Investment in capital assets	17,728,407
Unrestricted	278,380,226
Total net position	\$ 296,108,633
· r	,100,000

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION Ten Months Ended April 30, 2025

OPERATING REVENUES	
Electricity sales, net	\$ 219,251,371
Evergreen electricity premium	2,636,095
Miscellaneous income	2,325,132
Grant revenue	380,121
Total operating revenues	224,592,719
OPERATING EXPENSES	
Cost of electricity	148,403,667
Contract services	8,187,375
Staff compensation	9,070,064
Program rebates and incentives	2,095,701
Other operating expenses	2,068,025
Depreciation	1,194,340
Total operating expenses	171,019,172
Operating income	53,573,547
NONOPERATING REVENUES (EXPENSES)	
Investment income	13,016,469
Nonoperating revenues (expenses), net	13,016,469
CHANGE IN NET POSITION	66,590,016
Net position at beginning of year	229,518,617
Net position at end of period	\$ 296,108,633

STATEMENT OF CASH FLOWS Ten Months Ended April 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 239,447,199
Receipts of security deposits	3,792,000
Other operating receipts	2,829,429
Payments to electricity suppliers	(151,763,867)
Payments for other goods and services	(9,956,678)
Payments for staff compensation	(8,958,985)
Payments for program rebates and incentives	(2,067,218)
Payments of taxes and surcharges to other governments	(3,020,896)
Net cash provided (used) by operating activities	70,300,984
CASH FLOWS FROM CAPITAL AND RELATED	
FINANCING ACTIVITIES	
Purchases of capital assets	(349,617)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income received	10,558,344
Proceeds from sales and maturities of investments	148,547,134
Purchase of investments	(129,077,518)
Net cash provided (used) by investing activities	30,027,960
Net change in cash and cash equivalents	99,979,327
Cash and cash equivalents at beginning of year	69,683,125
Cash and cash equivalents at end of period	\$ 169,662,452
Reconciliation to the Statement of Net Position	
Cash and cash equivalents - unrestricted (current)	111,660,197
Cash and cash equivalents - restricted (current)	2,002,255
Cash and cash equivalents - unrestricted (noncurrent)	56,000,000
Cash and cash equivalents	169,662,452
NONCASH INVESTING ACTIVITES	
Unrealized appreciation and timing differences in investment income	\$ 2,458,125

STATEMENT OF CASH FLOWS

(Continued)

Ten Months Ended April 30, 2025

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

Operating income (loss)	\$ 53,573,547
Adjustments to reconcile operating income to net	
cash provided (used) by operating activities:	
Depreciation expense	1,194,340
(Increase) decrease in:	
Accounts receivable, net	8,997,224
Other receivables	(523,289)
Accrued revenue	5,621,206
Prepaid expenses	(21,591)
Deposits	(3,467,075)
Increase (decrease) in:	
Accrued cost of electricity	5,997,644
Accounts payable	296,181
Advances from grantors	(380,121)
Accrued liabilities	(1,369,488)
User taxes due to other governments	(79,594)
Supplier security deposits	462,000
Net cash provided (used) by operating activities	\$ 70,300,984



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 ten months ended April 30, 2025, 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.

Maker Accountancy

San Rafael, CA July 21, 2025

BUDGETARY COMPARISON SCHEDULE - OPERATING FUND -SONOMA CLEAN POWER AUTHORITY

Ten Months Ended April 30, 2025 -

	2024/25 YTD Amended Budget	2024/25 YTD Actual	2024/25 YTD Amended Budget Variance (Under) Over	2024/25 YTD Actual / Amended Budget %	2024/25 Amended Budget	2024/25 Amended Budget Remaining
REVENUE AND OTHER SOURCES: Electricity (net of allowance) * Evergreen Premium (net of allowance) Investment returns Miscellaneous Income	\$ 220,758,366 2,325,670 11,787,401 759,959	\$ 219,251,371 2,636,095 13,016,469 443,966	\$ (1,506,995) 310,425 1,229,068 (315,993)	99% 113% 110% 58%	\$ 258,001,000 2,700,000 13,853,000 1,000,000	\$ 38,749,629 63,905 836,531 556,034
Total revenue and other sources	235,631,396	235,347,901	(283,495)	100%	275,554,000	40,206,099
EXPENDITURES AND OTHER USES: CURRENT EXPENDITURES						
Cost of energy and scheduling	155,140,235	146,142,379	(8,997,856)	94%	183,989,000	37,846,621
Service fees- PG&E	823,200	811,601	(11,599)	%66	990,066	178,399
Personnel	9,406,363	9,070,064	(336,299)	%96	11,490,000	2,419,936
Marketing & communications	2,658,824	2,410,601	(248,223)	91%	3,379,000	668,399
Customer service	161,818	91,791	(70,027)	21%	220,000	128,209
General and administration	1,466,062	1,414,345	(51,717)	%96	1,832,000	417,655
Legal	392,041	422,819	30,778	108%	475,000	52,181
Regulatory and compliance	318,882	59,900	(258,982)	19%	460,000	400,100
Accounting	269,600	274,900	5,300	102%	312,000	37,100
Legislative	176,000	156,000	(20,000)	%68	220,000	64,000
Other consultants	425,867	267,413	(158,454)	63%	535,000	267,587
Industry memberships and dues	708,839	653,680	(55,159)	95%	888,000	234,320
Program implementation	7,261,345	2,727,401	(4,533,944)	38%	10,135,964	7,408,563
Total current expenditures	182,319,277	167,563,545	(14,755,732)	92%	218,595,964	51,032,419
OTHER USES Canital outlav	389,838	169.513	(220,325)	43%	200,000	330,487
Total expenditures, other uses	182,709,115	167,733,058	(14,976,057)	95%	219,095,964	51,362,906
Net increase (decrease) in available fund balance	\$ 52,922,281	\$ 67,614,843	\$ 14,692,562		\$ 56,458,036	\$ (11,156,807)
* Represents sales of approximately 1,794,000 MWh for 2024/25 YTD actual.	D actual.					

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

BUDGETARY COMPARISON SCHEDULE - OPERATING FUND (CONTINUED) - RECONCILIATION OF NET INCREASE IN AVAILABLE FUND BALANCE - TO CHANGE IN NET POSITION -

Ten Months Ended April 30, 2025 -

Net increase (decrease) in available fund balance	
per budgetary comparison schedule:	\$ 67,614,843
Adjustments needed to reconcile to the	
changes in net position in the	
Statement of Revenues, Expenses	
and Changes in Net Position:	
Subtract depreciation expense	(1,194,340)
Add back capital asset acquisitions	 169,513
Change in net position	\$ 66,590,016

Page	intentio	onally le	ft blank	c for do	ouble-s	sided	printir	ηg



Staff Report - Item 03

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: August 7, 2025

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 Counites. 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.

Federal Tax Credits

Congress passed H.R. 1 (the "One Big Beautiful Bill Act") earlier this month, which was signed into law on July 4th, 2025. H.R. 1 significantly rolls back clean energy tax incentives and investments made in the Inflation Reduction Act and Infrastructure Investment and Jobs Act—including a complete phase-out of the investment tax credit (ITC) and production tax credit (PTC) for wind and solar for projects that do not start construction within one year of enactment.

Due to more bipartisan support for firm technologies in the United States Senate, tax credits for geothermal, nuclear, and energy storage resources are preserved. Projects will be eligible for 100% of the tax credit if they start construction through 2033, phasing down to 75%, 50%, and 0% in 2034, 2035, and 2036. The continued tax credit eligibility for geothermal projects into the mid-2030s is critically important to managing offtake costs early GeoZone projects.

Energy projects that start construction after January 1, 2026, including geothermal projects, are subject to new Foreign Entity of Concern (FEOC) restrictions for tax credit eligibility. To retain tax credit eligibility, projects must not receive material sourcing, licensing, or make payments to an entity associated with China, Russia, North Korea, or Iran. Although most of the geothermal supply chain can be domestically sourced, it may take some time to understand how the new FEOC requirements impact the cost or tax credit eligibility of GeoZone projects.

Alongside federal tax credit eligibility, passage of SCP's two remaining sponsored bills in the California legislature—AB 527 and AB 531—will also provide cost benefits to the GeoZone by reducing the schedule and cost risk of early project investments.

GeoZone Outreach

In an effort to aid public outreach and education on the GeoZone, SCP staff have developed a short flyer to describe the motivation for GeoZone and direct readers to the GeoZone webpage for more background. The flyer is included as attachment #1, which Committee members are welcome to use in engaging in their own communities and network.

Grant Funding

SCP is expecting the California Energy Commission to announce proposed awards for its Geothermal Grant and Loan Program imminently. The County of Sonoma submitted an application in partnership with Mendocino County and SCP to complete a regional study of geothermal potential and surface constraints in the Sonoma-Lake-Mendocino region. If awarded, SCP expects the project to provide valuable data and experience to both county planning staff and industry to guide geothermal development in the region.

Attachment

Attachment 1 - GeoZone Informational Flyer



GeoZone: Affordable, Reliable Clean Power

Sonoma Clean Power is investing in local geothermal energy. The goal is to secure affordable, reliable clean power for our customers over the long term.

Through our GeoZone initiative, we're working to build new, next-generation geothermal energy right here in Sonoma and Mendocino counties - using heat from deep underground to create clean electricity.

Why It Matters

Today, 90% of the electricity Sonoma Clean Power provides comes from clean sources. But when the sun isn't shining and the wind isn't blowing, we still rely on natural gas—which is polluting and expensive.

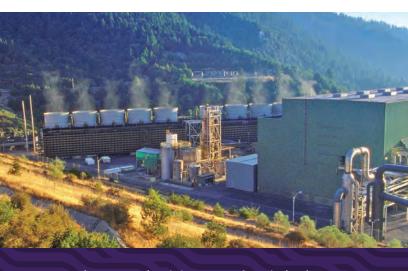
We pay gas power plants to stand by, even if we only use them 10% of the time. That's not good for our climate or our wallets.

A Brighter Future, Locally Built

By building more local geothermal energy, we are charting a better path forward:

- Lower customer costs
- Reliable local energy
- Good jobs in our communities
- 100% clean power, day or night, rain or shine

That's the power of the GeoZone. For more information, visit sonomacleanpower.org/geozone.



Page i	intentional	ly left blank	k for doub	le-sided	printing



Staff Report - Item 04

To: Sonoma Clean Power Authority Board of Directors

From: Stephanie Reynolds, Director of Internal Operations

Mike Koszalka, Chief Operating Officer

Issue: Receive Internal Operations Report

Date: August 7, 2025

UPCOMING WORKSHOPS AT THE CUSTOMER CENTER

- Wednesday August 13th: Workshop Wednesday: Watt's the Charge 1:00pm -2:00pm (Customer Center - Free). This is a recurring in person workshop at the Customer Center to learn about how to understand your bill, 2nd Wednesday of each month
- Saturday August 16th: Master Food Preservers: Preserving 101 High Acid Food Boiling Water Canning 10:00am - 1:00pm (Customer Center, Master Food Preservers hosted event, \$125 registration fee paid to Master Food Preservers, please do not contact SCP for details). Step into the world of home food preservation with this immersive, hands-on workshop focused on safely canning high-acid foods using the boiling water (water bath) method.
- Thursday August 21st: Know the Charge: Energy & Banking Fraud Awareness
 Night 6:00pm 8:00pm (Customer Center Free). Co-sponsored event with RCU
 & SCP combining our bill reading workshop with fraud awareness education
- Tuesday August 26th: Conoce El Cargo: Noche de Información Sobre Fraudes Energéticos y Bancarios 6:00pm 8:00pm (Customer Center Free). This is the same as the Know the Charge workshop but offered entirely in Spanish.
- Wednesday September 10th & 24th: Emergency Prep Help for Seniors (2-part workshop) 10:00am - 12:00pm (Customer Center - Free, hosted by Emergency Prep Help for Seniors). This is a comprehensive 2-part workshop, geared for older adults, on how to prepare for natural disasters and other emergencies.

SMALL COMMERCIAL CUSTOMER OUTREACH

This is an ongoing proactive effort by staff to identify customers who might be paying unnecessary charges on their total power bill.

At the request of Chair Barnacle, staff are providing the following common scenarios in which small businesses pay unnecessarily large power bills.

- Customers with rarely used large water pumps that, paying high fixed charges for power.
- Customers who reconfigured their circuits and no longer need as much or any of the power through an auxiliary meter.
- Customers with automatic pressure tests on fire suppression systems that get triggered by water pressure drops which are beyond their control.
- Customers who unnecessarily power equipment longer than necessary, which
 causes them to exceed a rate-qualifying threshold. (When a small-usage customer
 exceeds 75 kW of demand three months in a row, they are no longer eligible for
 the small commercial rate.)
- Customers with underutilized expansion.

The following are some of our customer case stories with successful results. Per CPUC rules, we are not sharing the specific customer information.

Senior care center: We found a small not-for-profit senior care center that rarely ran a pump powered through a dedicated meter billed on a large commercial rate. For the 87 kWh used annually to power the pump the customer paid \$4,000 in unnecessary customer charges. SCP successfully helped the customer avoid those charges in the future.

Empty warehouse: A warehouse operator knew of demand charges related to a required pump test for their fire suppression system. However, they were unaware that the pumps ran longer than necessary and more frequently due to automatic triggers when the water pressure dropped. We showed them when this occurred and how to address the issue so that they would no longer be required to pay \$20,000 in demand charges to PG&E.

Manufacturer: A processor of raw materials infrequently ran an arc welder on a dedicated circuit during their manufacturing process, drawing a considerable amount of power for just over fifteen minutes, triggering a threshold requirement that makes the

meter mandatorily charged on a large-commercial rate. We showed them that if they were more strategic in their use of the welder's timing, they would qualify to drop to a small commercial rate, saving \$12,000 annually for the same amount of usage.

Retail: PG&E mandated that an established retail store with moderate electrical consumption pay maximum demand charges because the store had exceeded the 75 kW threshold three months in a row. This meant the customer paid about five times as much for their power than necessary. By showing this customer, partially powered by their solar array, that the meter's usage-detail indicated their staff turned up the air conditioning after the store closed on the few hottest evenings in three summer months, while also running necessary motors and lights during cleanup, they just barely exceeded the 75 kW threshold. By educating their staff on power consumption, this customer will save \$17,000 annually.

Treatment Plant: A government built a wastewater treatment plant to support new development. Due to changes in planned use, the treatment plant was utilized less than anticipated. However, the electricity rate was not adjusted to reflect the decreased operations. By helping the government to optimize their rate, they are now saving over \$60,000 annually.

Project Summary: By advising our affected customers directly that they are better served by changing their accounts from larger-commercial rates to small-commercial rates, they collectively reduced their expected annual power bills by \$352,000. These were charges predominantly paid to PG&E for transmission and delivery. The impact on generation by changing rates means that the SCP's annual revenue will be reduced by \$37,200.

H.R. 1

Staff are closely monitoring the impacts of the enactment of H.R. 1 (the "One Big Beautiful Bill") in July. H.R. 1 will have immediate impacts on SCP's procurement and construction of clean energy resources, SCP's deployment of customer programs, and the ability of SCP customers to install home solar and energy storage systems. Key impacts include:

- The tax credit for installation of rooftop solar expires December 31, 2025.
- The tax credit for installation of home battery storage expires December 31, 2025; but leased battery storage systems will be eligible through 2032 (then phased out through 2034).

- The tax credit for electric vehicles expires September 30, 2025.
- Utility-scale wind and solar projects must start construction by July 4, 2026, or be placed in service by December 31, 2027, to retain tax credit eligibility.
- Geothermal and utility-scale energy storage projects must start construction by the end of 2032 for full eligibility, which is then phased out through 2034.
- All tax credits (including geothermal, energy storage, wind, and solar) will be subject to new foreign entity of concern restrictions if they start construction after December 31, 2025; there are varying opinions of how these additional requirements will impact project viability.

PARTICIPATION RATES BY TOT (Town or Territory)

Meters and Participation by TOT

CC	UNTY	Eligible	SCP	% Part.	% Opt Out
	MENDOCINO	38,310	30,367	79.3%	20.7%
	FORT BRAGG INC	4,096	3,434	83.8%	16.2%
	POINT ARENA INC	345	297	86.1%	13.9%
	UNINC MENDOCINO CO	31,119	24,456	78.6%	21.4%
	WILLITS INC	2,750	2,180	79.3%	20.7%
0	SONOMA	232,349	204,622	88.1%	11.9%
	CLOVERDALE INC	3,921	3,238	82.6%	17.4%
	COTATI INC	3,922	3,524	89.9%	10.1%
	PETALUMA INC	27,833	24,784	89.0%	11.0%
	ROHNERT PARK INC	19,937	17,571	88.1%	11.9%
	SANTA ROSA INC	81,080	71,933	88.7%	11.3%
	SEBASTOPOL INC	4,510	4,110	91.1%	8.9%
	SONOMA INC	6,457	5,680	88.0%	12.0%
	UNINC SONOMA CO	74,480	64,855	87.1%	12.9%
	WINDSOR INC	10,209	8,927	87.4%	12.6%
	Total	270,659	234,989	86.8%	13.2%

Current EverGreen Enrollment by TOT

COUNTY	SCP Meters	EverGreen Meters	EverGreen %
□ MENDOCINO	30,367	446	1.47%
FORT BRAGG INC	3,434	41	1.19%
POINT ARENA INC	297	30	10.10%
UNINC MENDOCINO C	0 24,456	357	1.46%
WILLITS INC	2,180	18	0.83%
□ SONOMA	204,622	3,741	1.83%
CLOVERDALE INC	3,238	25	0.77%
COTATI INC	3,524	126	3.58%
PETALUMA INC	24,784	631	2.55%
ROHNERT PARK INC	17,571	232	1.32%
SANTA ROSA INC	71,933	1,201	1.67%
SEBASTOPOL INC	4,110	173	4.21%
SONOMA INC	5,680	87	1.53%
UNINC SONOMA CO	64,855	1,002	1.54%
WINDSOR INC	8,927	264	2.96%
Total	234,989	4,187	1.78%

MENDOCINO COLLEGE SCHOLARSHIP AWARDED

We are excited to announce Avery Edmunds as our Mendocino College Sonoma Clean Power scholarship recipient! This 36-year-old Willits resident is maintaining a perfect 4.0 GPA in Mathematics and Science for Transfer while juggling 14 credits, full-time work, and a daily commute from north of Willits.

Avery's clean energy roots run deep. After working as an electrician in New York, he moved to California and trained as a solar installer at the Real Goods Solar Living Center in Hopland. He then transitioned into agriculture, but now he's making another shift - going from farm to foundation. Through the TAG program, he plans to transfer to UC Davis and return to Mendocino County as a licensed structural engineer.

Mendocino County faces a severe housing crisis with a documented shortage of structural engineers, often forcing contractors to outsource this critical work. Avery's goal? Develop mixed-use income-qualifying residential projects right here in our community.

His story perfectly aligns with SCP's values of community partnerships and local innovation. Avery served two years on the Willits Community Services and Food Bank Board, distributed food during COVID-19, and speaks at local schools about recovery. He's the kind of local talent we love investing in.

Avery's journey from struggling with ADHD and addiction to academic excellence shows serious resilience. As a re-entry student proving it's never too late to chase your dreams, he embodies the community spirit that makes Mendocino County special.



UPCOMING MEETINGS

- ➤ Community Advisory Committee <u>August Meeting Cancelled</u>
- Board of Directors September 4, 2025 (TBD)
- Community Advisory Committee September 18, 2025
- ➤ Board of Directors October 2, 2025



Staff Report - Item 05

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

Date: August 7, 2025

Requested Action

Receive legislative and regulatory updates.

Regulatory Updates

<u>California Public Utilities Commission Adopts Decision to Modify Power Charge</u> Indifference Adjustment Calculation

On June 26th, the CPUC adopted a proposal to delay financial credits PG&E owes to CCA customers by up to 4 years. This means that SCP customers will be required to loan millions of dollars to PG&E interest free in 2026. This decision will create more volatility in electric bills, increasing the risk of years with higher total bills.

Specifically, this Decision modified how the Resource Adequacy (RA) - a product required to support grid reliability - credit is calculated. There were five modifications introduced by CPUC staff. The stated goal of the modifications was to increase the number of transactions included and to increase the accuracy of the result. Sonoma Clean Power staff, working in conjunction with CalCCA, supported 4 of these: removing affiliate and sleeve transactions, combining all RA into the calculation, and calculating monthly values. The Decision adopted all four of those except for calculating monthly values.

However, it also adopted the modification CalCCA and SCP were most strongly opposed to using historical RA prices instead of the current prices to determine market value. Most problematically, it did so retroactively. In practice, this means the

elevated RA prices observed in 2024 would not be fully granted to our customers but would instead be blended with transactions from 2021-2024. As the earlier years had lower prices, the blended value is depressed which results in a lower credit for our customers and higher PCIA charge. We still do not have the underlying data from the earlier transactions to calculate the impact on our customers. However, we estimate the impact will be in the millions of dollars.

This rushed, retroactive change to rates without clear data on the impact is troubling. However, blending the higher 2024 RA prices into years 2025-2027 would be beneficial for customers' PCIA credit in the case that future prices do not remain as high. Ultimately, the most significant risk is that there is no guarantee this methodology – using four years instead of one – will stay in place. If the CPUC were to later adjust the credit calculation back to using one year of cost data in the future, the effect would be to transfer costs from one group of customers to another. Such an outcome would violate the CPUC's obligation to maintain cost indifference, so SCP staff will be watching closely for any indication that the CPUC might be considering this type of future action.

The Decision implements these rapid changes to the methodology by this Fall and grants utilities the ability to apply them immediately. SCP staff, joined by Supervisor Hopkins, met with four Commissioner Offices on this topic. In addition, staff submitted opening comments on this proposal outlining the need for transparency and rate stability. Despite working to educate them on the negative impacts and dangerous precedent this sets, the Decision was adopted.

On July 28th, CalCCA submitted an Application for Rehearing of the Decision. This Application highlights how the CPUC engaged in retroactive ratemaking and relied on a limited procedural record. The CPUC now has 120 days to act on this Application. If they fail to do so, it is considered denied. Such a denial would provide for CalCCA to take this to the Appellate Court.

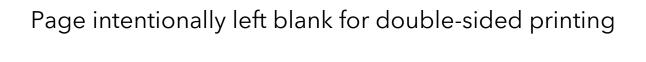
Legislative Updates

Sonoma Clean Power is sponsoring two bills in the California Legislature this year aimed at improving the state's ability to deploy geothermal power, in partnership with the International Union of Operating Engineers, Fervo Energy, and others:

 Assembly Bill 527 (Papan) would mirror federal policy by exempting geothermal exploration wells meeting a high standard of environmental stewardship from review under the California Environmental Quality Act (CEQA), so long as the projects use a skilled and trained workforce that is paid at least the prevailing wage. The subsequent buildout phase would still be subject to CEQA. The bill continues to be opposed by a small group of environmental organizations. Amendments added by the Senate Natural Resources & Water Committee now also require that the state update its regulations around geothermal power to reflect the rise of new technologies.

• Assembly Bill 531 (Rogers) would allow proposed geothermal power plants to be approved through an existing "one-stop shop" process at the California Energy Commission, known as the "opt-in" process (because a renewable energy developer can voluntarily opt in to using it). While geothermal power plants can theoretically use this process today, there is a 50 MW minimum project size that functionally excludes most geothermal development (which is typically more like 20, 30, or 40 MW in size). Given the value of geothermal power to the grid and the capital-intensive nature of even "small" geothermal projects, this bill aims to ensure that all proposed geothermal power plants have this option available. The bill has received late opposition from the Rural County Representatives of California, who oppose the opt-in process as a whole on principle for allowing the state to approve projects in their jurisdictions. But AB 531 continues to earn broad support in the Legislature.

Both bills are now pending hearing in the Senate Appropriations Committee, where they will be placed on the "suspense file." If they move forward off of the suspense file, they will be voted on by the full Senate and then placed on the Governor's desk by mid-September.





Staff Report - Item 06

To: Sonoma Clean Power Authority Board of Directors

From: Brian Barnacle, Chair of the Board of Directors

Issue: Appoint an Ad Hoc Committee for the Community Advisory Committee

Recruitment Process

Date: August 7, 2025

Requested Board Action

Appoint an Ad Hoc Committee to review applications, interview and recommend potential members for the upcoming vacancies on the Community Advisory Committee (CAC).

Background

Per the Third Amended Joint Powers Agreement, the CAC shall consist of a minimum of seven members and a maximum of eleven members. Appointees to the CAC serve four-year terms. Due to one vacancy and the terms expiring for six members in December, recruitment of potential committee members is necessary. At least 1, and up to 5, new or reappointed members will be needed at the end of this year.

Discussion

Staff recommend that the Board create an Ad Hoc Committee to evaluate applications, interview potential applicants, and to recommend appointments and/or re-appointments for consideration by the Board at the December Board meeting. Staff recommend a three-member ad hoc to minimize scheduling conflicts. Once an ad hoc committee is formed, staff will open the recruitment and support the committee's review of the applications.

Attachments

➤ Attachment 1 - 2025 Community Advisory Members and Terms



Community Advisory Committee 2025 Members and Terms

	NAME	TERM ENDS
1.	Spencer Lipp	End of 2027
2.	Jeff Kelly	End of 2025
3.	Michael Heffler	End of 2025
4.	Daniel Soto	End of 2027
5.	Crispin Hollinshead	End of 2025
6.	Jana Wang	End of 2027
7.	Mike Nicholls	End of 2027
8.	Patricia Morris	End of 2027
9.	Dick Dowd	End of 2025
10.	Liz Hagen	End of 2027
11.	Vacant	



Staff Report - Item 07

To: Sonoma Clean Power Authority Board of Directors

From: Claudia Sisomphou, Public Affairs and Advocacy Manager

Issue: Receive Update on Tribal Engagement Efforts

Date: August 7, 2025

Recommendation

This is an informational item. No action is required. However, comments from the Board of Directors and the public are encouraged.

Background

With the guidance of the Community Advisory Committee and Board, Sonoma Clean Power (SCP) has made steady progress on its Empower initiative over the past few years. In early 2024, SCP staff identified an opportunity to deepen engagement with local tribal governments and communities as part of this work. In response, the Board adopted improved tribal relations as a goal for the agency.

To support this effort, SCP brought on <u>K Street Consulting</u>, a full-service public affairs and government relations firm, to help build meaningful relationships with tribes in Sonoma and Mendocino counties.

SCP's service area includes nearly twenty distinct tribes, with five federally recognized tribes in Sonoma County and ten in Mendocino County.

As a public agency, SCP is both obligated and motivated to foster collaborative relationships with all jurisdictions in its territory, including tribal governments.

Through its Empower initiative, SCP is committed to improving the reach, relevance, and impact of:

- Partnerships and sponsorships
- Customer offers, incentives, and services

• Education, engagement, and outreach

Building strong relationships with local tribes is essential to ensuring tribal communities are represented in SCP's surveys, programs, and strategic planning.

Last November, SCP staff invited Pamela Lopez, Partner at K Street Consulting, to present to the Board of Directors on SCP's tribal engagement efforts. Her briefing included insights on tribal sovereignty, best practices for government-to-government relations, and an overview of local tribal priorities.

Discussion

To date, SCP has conducted formal consultations with four local tribes and initiated a partnership with one – three in Sonoma County and two in Mendocino County. The agency's goal is to engage with as many local tribes and Native-serving organizations as possible by the end of fiscal year 2026, while continuing to nurture these relationships over the long term.

This update outlines the process SCP staff have developed to prepare for tribal consultations and shares key lessons learned from engagement efforts so far.

Fiscal Impact

None.

Attachments

Attachment 1 - Tribal Engagement PowerPoint Presentation

Tribal Relations Update

SCP Board of Directors
August 7, 2025

1

Background

- SCP's Empower initiative is about building meaningful community partnerships.
- Our service area includes nearly 20 tribes.
- Improving relationships with tribes and Native peoples is a priority for the agency.

Map source: Bureau of Indian Affairs



2

Recent efforts

- Held formal consultations and began partnerships with five local tribes.
- Provided training for Board and staff on tribal sovereignty and best practices for engagement.
- Sponsored and participated in Native-led events.
- Monitored state-level tribal hearings and initiatives.

2

What guides our tribal consultations

Consultation means respectful, two-way dialogue between governments.

- Understand the tribe's priorities.
- Offer SCP's support as a clean energy resource.
- Listen for how we can collaborate or when to simply step back.

Δ

42 of 95

2

Thoughtful preparation

Before consultations, SCP staff prepare with care and respect.

We aim to:

- Research the tribe's publicly shared history, culture, and leadership.
- Schedule around a tribe's availability.
- Meet as a team beforehand to align intentions.

5

Agenda for consultations

- Introduce Sonoma Clean Power: who we are and what we offer.
- Share services available to tribal governments, businesses, and households.
- Invite ideas for collaboration on future projects.
- Listen closely, take notes, and follow up on any open questions.

6

43 of 95

3

What we're learning

- Every tribe is unique approach each relationship individually.
- **History matters** many tribes have experienced deep harm from governments.
- Respect leads to trust we're here to listen, not lead.
- Energy independence is about more than economics it's about sovereignty and resilience.

7

Opportunities

SCP is committed to nurturing these relationships and exploring future opportunities, including:

- Following up with commercial energy assessments and rate analyses.
- Partnering on energy grant applications and projects.
- Supporting Native-centered events and programs.
- Continuing respectful, long-term relationship-building.

8

44 of 95

What's ahead

- Continue consultations with more local tribes through FY 2026.
- Deepen partnerships with existing contacts.
- Share learnings internally to improve SCP engagement practices.

Photo: SCP tabling at the Mending Indigenous Spirits Gathering at Ya-Ka-Ama.



9

Thank you!

Questions/Comments?

Email us at community@sonomacleanpower.org

10

45 of 95 5

Page intentionally left blank for double-sided printing



Staff Report - Item 08

To: Sonoma Clean Power Authority Board of Directors

From: Brian Barnacle, Chair of the Board of Directors

Jackie Elward, Vice Chair of the Board of Directors

Issue: Approve Salary Increase and Annual Contract Goals for Chief Executive

Officer Geof Syphers

Date: August 7, 2025

Requested Actions

Approve the 3.0% performance-based salary increase effective September 1, 2025, and approve the recommended annual contract goals for CEO Syphers.

Salary Adjustment

Mr. Syphers' contract provides for a 2.0% automatic annual increase in salary and provides guidance to the Board of Directors to provide an additional 3.0% increase based on good performance in achieving the Board's adopted goals. The Board wishes to approve the 3.0% discretionary salary adjustment effective September 1st.

Review of Performance on the Board's Goals from the Past Year

This section discusses how SCP performed on the Board's adopted goals for the period from July 2024 through June 2025. Each year, the Board sets goals for the agency and reflects on the prior year. This year the themes centered on continuing to advance equity for underrepresented customers and maturing into a full-fledged utility through cost management, improvements to customer service and laying the groundwork for construction of new geothermal resources.

Last Year's Goals

1. Be an industry leader in advancing equity for BIPOC, LGBTQI+, low-income, senior and other underrepresented customers. Provide education and

meaningful local engagement opportunities for those communities and all other SCP customers.

Examples of actions:

a. Accessibility. Continued progress in simplifying SCP's communication (see Who We Are), improving low-income support at the Customer Center to ensure billing support is physically up front and fully bilingual. Staffed nearly all public events with bilingual staff.

b. Community Relations.

- i. Strong year of tribal consultations. Initial meetings and conversations are complete with Hopland Band of Pomo Indians, the Round Valley Indian Tribes, Graton Rancheria, Dry Creek Rancheria and Lytton Rancheria. Partnerships are beginning to be built through technical support on energy projects, cost savings advice, distributing energy savings boxes and more.
- ii. SCP staff recognized the need this year to formalize our staff training and process for community engagement in order to foster stronger long-term relationships. These lessons are informing a deeper and more intentional internal process.
- iii. Participated in a training exercise around LGBTQ+ history in advance of Sonoma County Pride, including the origins of the event and its history, and a team-building exercise in assembling a float for the event.
- iv. Participated in AAPIC's (Asian American Pacific Islander Coalition's) training on how to prepare for ICE raids and how to protect staff and visitors. Adapted signage and provided initial staff support on knowing their rights and how to take appropriate actions.
- v. Hosted Latinos in the Marketplace, a sold-out event that expanded on local training for supporting the formation, expansion and success of local small new businesses.
- vi. Actively developing a proposal for SCP Board consideration to invest in a multicultural business accelerator to improve the speed and scale of local small business formation.

- c. Connecting with Youth.
 - i. Over 17,000 K-12 students reached with environmental education, including in 3 programs with at-risk youth and low-income youth.
 - ii. 60 young adults provided with vocational training and job placement support.
 - iii. Hosted and sponsored partnerships with CTE Foundation, Switch Vehicle, LIME Foundation, Mendocino Junior College, Santa Rosa Junior College, Mike Hauser Academy, and all public schools via Sonoma Water curriculum.

d. Internal Efforts.

- Cross training program places junior and mid-level staff into other departments to learn new skills and explore different career pathways.
- ii. SCP's internship program was improved this year, and now supports a broad experience across technical, social and interactive work with customers.
- iii. Education and staff development funding and encouragement continued this year. Focused effort on internal training, advancement potential and career pathways.
- 2. Complete SCP's first power purchase agreement prepayment transaction to reduce ratepayer costs.
 - SCP issued its first bonds through the California Community Choice Financing Authority for \$775 million to prepay five power supply contracts, locking in \$47 million in ratepayer savings over the next 8 years. The deal achieved the highest percentage savings ever in a California municipal electricity prepayment transaction, exceeding 15% savings for the 5 power supply contracts.
- 3. Bring a proposal to the SCP Board for advancing California's power procurement practices that consider how to best continue delivering SCP's broad public benefits (climate, rates, investments, air quality, etc.) while working to advance local benefits for workers and impacted communities.

Staff worked with unions to propose a detailed policy for advancing California's labor and climate protections beyond typical practice. On April 3, 2025, the Board approved the policy in concert with support from local and statewide unions.

4. Roll out a full-scale community engagement plan for the pilot projects in the GeoZone that includes citizens, labor and environmental groups, tribal nations, local agencies and officials.

SCP's GeoZone engagement has adapted to reflect the increased focus on SCP's sponsored geothermal permitting bills. This means the agency increased our meetings with labor and elected officials and reduced the general community engagement in recognition that our first project location will not be established likely until California law is updated to enable the exploratory phase. Over the past year, SCP toured the Utah FORGE geothermal site with Supervisors Gore and Hopkins, hosted a town hall meeting in Cloverdale, and met numerous times with County staff and officials in Lake County to the opportunity of adding Lake County into the GeoZone.

SCP also developed a GeoZone Media Strategy which outlines efforts to inform and engage the public through blog posts, social media content, flyers, and traditional media (e.g., radio, advertisements, news articles, etc.)

- 5. Maintain SCP's 'A' credit rating to support cost-effective power procurement.
 - SCP's credit rating was reaffirmed by S&P Global to be 'A' with a stable credit outlook. In addition, SCP is in a strong position with cash reserves and has filled its target balance.
- 6. Seek Board approval for one local investment that is designed to produce a stream of revenues to offset customer rates over time.
 - SCP is in process of negotiating multiple transactions with the potential for generating revenues that offset customer energy costs over time. As of this writing, those are confidential. However, the Board has directed staff to explore a potential grant and loan to support the formation of a diverse business development service center, and a proposal is expected soon.
- 7. Complete Phase 1 of the updates to the SCP Customer Center, including adding full-service bilingual billing support up front, adding technical capacity

to help customers with high energy usage lower their bills, and making the Center more accessible and less store-like.

The Customer Center is now oriented around customer support first and foremost, with three prominent customer service desks right up front and with fluent bilingual staff on hand at all time. The electrification and efficiency services remain but are behind the service area to emphasize that we are not a store, while preserving all of those services.

- 8. Demonstrate progress toward reducing the pollution that SCP exports to poor regions of California. Specifically, demonstrate progress towards developing local geothermal capacity to reduce ratepayer costs and dependency on fossil-fueled power plants located in poor communities.
 - In a close partnership with the Operating Engineers Union, SCP sponsored three bills this year to make it practical to construct geothermal resources in California. One bill died on suspense in the Assembly, but two important bills remain. In addition, SCP spearheaded a pivotal transmission grid planning summit in June, convening the heads of transmission planning from CAISO, key staff from the CPUC, CEC, California Clean Air Task Force, Stanford, UC Berkeley and more than 60 people to talk about how to reform California's planning process in a manner that will quickly allow the decommissioning of natural gas power plants. The event was an extraordinary success and began the process of establishing SCP as a thought leader in transmission planning.
- Defend SCP's right to continue to select, contract and create high-quality jobs to build new geothermal, wind, solar and storage resources and oppose efforts to remove those rights.
 - While SCP and our statewide trade association have continued to successfully defend our right to purchase and construct clean power resources, a number of federal setbacks have made that work more expensive and more difficult. Specifically, the removal of tax credits for solar, wind, batteries and electric cars, the impact of tariffs on product availability and pricing, and the active blockade of wind projects have caused SCP staff to focus more intently on the resources we can still affordably construct such as geothermal energy.
- 10. Plan budgets and rates to sustain 5% or greater customer bill savings through June 30, 2025.

Sustained total bill savings of 7% through June 30, 2025.

Recommended Goals for June 2026

- 1. Recommend and take all necessary actions to protect customers from rate shock in 2026.
- 2. Continue to advance equity for BIPOC, LGBTQI+, low-income, senior, youth and other underrepresented customers. Take an action that structurally orients SCP to this work over the long term.
- 3. Complete an integrated resource plan that continues to successfully reduce reliance on natural gas power, even in today's rapidly changing conditions (e.g., tariffs, federal laws and orders, tax credits).
- 4. Advance policies that accelerate realization and improve feasibility of the GeoZone.
- 5. Complete the initial phase of at least 3 local investments with the purpose of generating revenues to lower ratepayer costs over time (may include energy and non-energy projects with a close connection to SCP's Mission).
- 6. Support successful implementation of building electrification policies such as the Bay Area Air District's No Nox Rule and SB 1221, including informing and potentially modifying implementation to safeguard customers.
- 7. Maintain SCP's 'A' credit rating to support cost-effective power procurement.
- 8. Improve SCP's capability to combat the regulatory erosion of SCP's existing powers and abilities to cost-effectively provide clean power and services.
- 9. Grow SCP's capability to dispatch customer loads to 7 MW as a means of reducing supply resource costs and cutting emissions.
- 10. Continue developing SCP's leadership on transmission planning in a manner designed to lower the risks of achieving California's renewable and affordability goals.

Fiscal Impact

No specific financial impacts of the recommended policies were studied for this item. Instead, any specific actions taken by the Board based on the adopted goals will be studied individually in the future.



Staff Report - Item 09

To: Sonoma Clean Power Authority Board of Directors

From: Rebecca Simonson, Director of Capital Projects and Engineering

Issue: Adopt a Resolution 2025-03 to Award the Construction Contract for

the 421 E Street Tenant Improvement Project to the Low Bidder, Carr's Construction Service, Inc. in the Amount of \$1,526,000 and Authorize the Chief Executive Officer to Execute a Construction Contract and Approve Change Orders Up to Twenty Percent of the Contract Price

Date: August 7, 2025

Recommendation

Staff requests that the Board of Directors adopt a resolution to award a construction contract for the 421 E Street Tenant Improvement Project (Project) to the low bidder Carr's Construction Service, Inc., in the amount of \$1,526,000, and to make findings and take other actions as described below.

Summary of the Resolution

If approved, the attached resolution (Attachment 1) would:

- 1. Approve the plans and specifications for the Project on file with the SCP Clerk of the Board;
- 2. Award a Construction Contract for the Project to the low bidder, Carr's Construction Service, Inc., in the amount of \$1,526,000 and waive certain immaterial bidding irregularities;
- 4. Authorize the CEO to execute the construction contract as contained in the bid documents, and any required future construction change orders up to a not-to-exceed amount of \$305,200, which is equal to 20% of the contract amount, and authorize the CEO to pay all proper claims; and

5. Find that the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to sections 15301, 15302, and 15332 of the CEQA Guidelines.

Background

In January 2024, SCP purchased the building and property at 421 E Street in Santa Rosa. The building required re-roofing, exterior and site repair, replacement of the HVAC equipment, a new electrical panel, a new fire sprinkler system, and renovations for the space to be suitable for SCP operations and staff. SCP staff worked with an architectural firm and consultant team to prepare plans and specifications for a building remodel that will result in a new configuration that better suits SCP's operational needs.

Discussion

The Project involves the remodel of the building at 421 E Street. The Project includes re-roofing, paving repair, exterior finishes, replacement and updates to the existing HVAC equipment, electrical panel replacement, installation of a new fire sprinkler system, the addition of new exterior windows and skylights, removal of some existing interior walls and ceilings, and new light fixtures and finishes throughout. Based on the plans and specifications, the professional cost estimate of construction of the Project was \$2,480,000.

On June 18, 2025, staff issued a notice inviting bids for construction of the Project. On July 17, 2025, staff received and opened bids from 8 contractors for construction of the Project. The bids ranged from \$1,526,000 to \$1,943,000, and Carr's Construction Service, Inc., was the low bidder.

Fiscal Impact

SCP budgeted \$2,500,000 for capital expenditures in FY25/26.

CEQA

The Project is exempt from the California Environmental Quality Act under Sections 15301 (Existing Facilities), 15302 (Replacement or Reconstruction of Existing Structures), and 15322 (Infill Development) of the CEQA guidelines. The proposed resolution makes findings specific to these exemptions.

Attachments

- > Attachment 1 Draft Resolution
- > Attachment 2 Summary of Bids

Related Items "On File" with the Clerk of the Board

> Sonoma Clean Power 421 E Street Tenant Improvement Project Manual and Bid Set and Addenda

RESOLUTION NO. 2025 - 03

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA CLEAN POWER AUTHORITY AWARDING, APPROVING AND DELEGATING AUTHORITY TO THE CEO TO EXECUTE A CONSTRUCTION CONTRACT WITH CARR'S CONSTRUCTION SERVICE, INC. FOR THE CONSTRUCTION OF THE 421 E STREET TENANT IMPROVEMENT PROJECT AND MAKING FINDINGS OF CEQA EXEMPTIONS AND DIRECTING THE CEO TO FILE A NOTICE OF EXEMPTION

WHEREAS, the current administrative headquarters for the Sonoma Clean Power Authority ("SCP") at 431 E Street in Santa Rosa is too small to accommodate existing operations.

WHEREAS, in January 2024 SCP purchased a building at 421 E Street in Santa Rosa as a site for further offices, meeting space, and storage.

WHEREAS, SCP engaged the services of an architecture and building services team to develop plans and specifications for remodeling and renovating 421 E Street into a new configuration that suits the needs of SCP.

WHEREAS, as detailed in the plans and specifications on file with the Clerk of the Board, the construction work for the 421 E Street Tenant Improvement Project involves renovation of a currently vacant space, including: re-roofing, paving repair, exterior finishes, replacement and updates to the existing HVAC equipment, electrical panel replacement, installation of a new fire sprinkler system, the addition of new exterior windows and skylights, removal of some existing interior walls and ceilings, and new light fixtures and finishes throughout.

WHEREAS, the 421 E Street Tenant Improvement Project was bid on June 18, 2025, and 8 bids were received and opened on July 17, 2025;

WHEREAS, Carr's Construction Service, Inc. was determined to be the lowest responsible bidder based on its bid for \$1,526,000; and

WHEREAS, staff determined that Carr's Construction Service, Inc. satisfies the bidding requirements for the 421 E Street Tenant Improvement Project;

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

- **Section 1.** Finds that the foregoing recitals are true and correct and a substantive part of this Resolution.
- **Section 2.** Finds that the 421 E Street Tenant Improvement Project is categorically exempt from the California Environmental Quality Act ("CEQA") under Class I (Existing Facilities), Class II (Replacement or Reconstruction), and Class XXXII (Infill Development) of the CEQA Guidelines (sections 15301, 15302, and 15332), because the 421 E Street Tenant Improvement Project is a renovation of the interior space of an existing

building in Santa Rosa's downtown, with only minor exterior improvements, and meets the criteria for an infill development project.

- **Section 3.** Finds that the 421 E Street Tenant Improvement Project presents no unusual circumstances or other exceptions that would preclude applicability of either the Class I (Existing Facilities) or Class II (Replacement or Reconstruction) CEQA Exemptions, and authorizes the CEO to file a Notice of Exemption with the Sonoma County Clerk.
- **Section 4.** Approves the plans and specifications for the 421 E Street Tenant Improvement Project on file with the SCP Clerk of the Board.
- **Section 5.** Awards the Construction Contract for the 421 E Street Tenant Improvement Project's construction to Carr's Construction Service, Inc. in the amount of \$1,526,000, conditioned on Carr's Construction Service, Inc.'s timely executing the construction contract and submitting of all required documents, including, but not limited to executed bonds, certificates of insurance and endorsement in accordance with project bid and contract documents.
- **Section 6.** Authorizes the CEO to execute the Construction Contract with Carr's Construction Service, Inc. for \$1,526,000, and authorizes the CEO to execute any required construction change orders up to a not-to-exceed amount of three hundred and five thousand and two hundred dollars (\$305,200), which is twenty percent (20%) of the Contract Amount, and authorize the CEO to pay all proper claims for performance of the Construction Contract.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

DULY ADOPTED this 7th day of August, 2025

JURISDICTION	NAME	AYE	NO	ABSTAIN/ ABSENT
Cloverdale	Director Laskey			
Cotati	Director Lemus			
Fort Bragg	Director Albin-Smith			
Petaluma	Director Barnacle			
Rohnert Park	Director Elward			
Santa Rosa	Director Fleming			
Sebastopol	Director Zollman			
Sonoma	Director Farrar-Rivas			
Windsor	Director Potter			
County of Mendocino	Director Haschak			
County of Sonoma	Director Hopkins			

In alphabetical order by jurisdiction

	Chair, Sonoma Clean Power Authority
attest:	



421 E Street Tenant Improvement - Bid Opening Results

Date: 07/17/2025 Time: 10am (PST) Location: 431 E Street, Santa Rosa, CA 95404

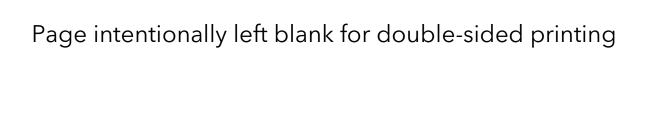
The following information is a record of bidders and their bid totals as received at the time of the bid opening. All bids are subject to review by the Owner and Owner's Representatives and approval by the Owner, Sonoma Clean Power Authority. A Notice of Intent to Award will be issued following the appropriate review of all Bid Documents.

Bidder	Total Bid	mio F bid	bno8 bi8	lo teid Subcontractors	Bidder Information & Experience	Non-Collusion Declaration	Iran Contracting Act Certification	Public Works Registration Certification	Workers' Compensation Certificate	Fleet Compliance Certification
Kirby Construction Company, Inc.	\$1,926,000.00	×	×	×	×	×	×	×	×	×
Ridgeview Builders, Inc.	\$1,896,000.00	×	×	×	×	×	×	×	×	×
DMR Builders	\$1,750,750.00	A A	×	×	×	×	×	×	×	×
CWS Construction Group, Inc.	\$1,895,000.00	×	×	×	×	×	×	×	×	×
GMH Builders, Inc.	\$1,798,000.00	×	×	×	×	×	×	×	×	×
FRC, Inc.	\$1,738,000.00	×	×	×	×	×	×	×	×	×
Thompson Construction	\$1,943,000.00	×	×	N R	×	×	×	×	×	×
Carr's Construction Service, Inc.	\$1,526,000.00	×	×	×	×	×	×	×	×	×

APPARENT LOW BIDDER:

Carr's Construction Service, Inc.

To request Bidder List of Subcontractor Bid Forms, please email projects@sonomacleanpower.org





Staff Report - Item 10

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: Approve Proposed Generation Rates Effective September 1, 2025

Date: August 7, 2025

Recommended Action

Approve the proposed generation rates shown in Attachment 1, effective September 1, 2025. The proposed rates are set so that SCP customer total bills have a target of 0.5% below PG&E's bundled service total bills.

Purpose

This action is designed to improve the likelihood of SCP customer rates being at or below PG&E bundled customer rates in 2026. The proposal helps SCP maintain long-term financial stability and ensures SCP collects the necessary funds to cover all expenses net of its Rate Stabilization Fund.

CCAs across Northern California are facing an unusually sharp forecasted increase in PG&E's PCIA fees beginning in January 2026, along with an expected drop in PG&E's generation rates. These changes, combined with market shifts and regulatory delays, could cause SCP customers to experience higher rates than PG&E next year if SCP took no protection actions.

By acting now to reduce customer savings—while still offering bills slightly below PG&E—we can preserve critical reserves and stay competitive.

Background

SCP's goals with customer rate setting include:

- Protect customers from sudden large changes in rates;
- Minimize rate changes in a given year to provide stability for customers;
- Save customers money when we can, while still achieving progress on SCP's climate goals;
- Maintain long-term cash reserves to 1) sustain SCP's investment-grade credit rating,
 2) ensure ability to secure affordable sources of energy and 3) seek to build and sustain the target balance of long-term cash reserves. Ample cash reserves allow SCP to provide adequate liquidity to survive extreme energy market conditions such as volatile energy prices or a significant increase in PG&E's fees.

Recent Rate History

From its inception until early 2020, SCP had been able to provide customers with lower overall bills each year. This was achieved by offering significantly lower electric generation rates to all customer classes to more than offset the Power Charge Indifference Adjustment (PCIA) fee PG&E charges SCP customers. These low generation rates have resulted in tens of millions in customer bill savings since 2014. From May 2020 through March 2022, SCP had to set rates resulting in customer bills slightly above PG&E, with the premium ranging up to 5% of total electric bills. SCP was able to eliminate that premium in April of 2022 and began targeting a 5% savings on total electric bills with the rate adjustment on February 1, 2023. Since then, SCP has been able to offer its customers total bill savings of between 3% and 7% below PG&E's bundled customers. SCP's rate adjustment on February 1, 2025, increased total electric bill savings for customers to a target of 7%.

Importantly, in addition to providing savings for SCP customers over the past three years, SCP was able to build its Rate Stabilization Fund and other long-term reserves. Reserves are projected to fill the Target Reserve of 365 days' expenses by the end of the current calendar year and add to SCP's Rate Stabilization Fund as well. These reserves put the agency in a strong financial position to weather the greater monthly volatility in energy market expenses staff expect to see in the rest of 2025 and higher PCIA fees starting in 2026 and beyond.

When SCP's Board of Directors approved the Fiscal Year 2025-2026 Annual Budget on May 8, 2025, PG&E was expected to reduce their generation rates and increase the PCIA fee that they charge to SCP customers on January 1, 2026. In response, staff anticipated that SCP

would reduce rates on or about February 1, 2026. At that time, the rate reduction was projected to result in a decline in SCP's long-term reserves for calendar year 2026 of about \$69 million.

Current Projections of Energy Costs and Market Rates

Updated projections are even less favorable, with PG&E expected to reduce their generation rates further and increase the PCIA fee by a larger amount. These changes are a result of a multiple factors including lower market price of energy in both 2025 and 2026, the California Public Utilities Commission (CPUC) adopting a proposal to delay financial credits PG&E owes to CCA customers by up to 4 years, and PG&E's portfolio providing a lower value of retained renewable energy and retained resource adequacy (RA) than forecasted by the utility. These new estimates suggest utilizing about \$115 million in reserves in calendar year 2026.

In addition to these anticipated changes in 2026, the current 2027 outlook for PG&E's generation rates and PCIA fee is also unfavorable compared to prior estimates.

It is important to note that this forecast is based on the best information available currently, and that the PCIA fee is extremely difficult to forecast for several reasons. First, the PCIA can be influenced by a number of PG&E's decisions over which SCP has no control. This includes whether PG&E decides to offer excess resource adequacy into the market or not. Those decisions impact the PCIA fee on our customers and are made solely at the discretion of PG&E. Second, the regulatory rules of how the PCIA is calculated can change rapidly and will likely continue to change over the coming years. Finally, the PCIA is highly dependent on the market price of natural gas power, renewable energy credits, and capacity, which fluctuate significantly with the commodity price of natural gas. For these reasons, staff will regularly update the Committee and Board on the PCIA as new information becomes available.

Discussion

SCP's Rate Stabilization Fund is comprised of revenues deferred from one fiscal year for use in future fiscal years to mitigate rate increases, to stabilize net revenues, and to allow SCP to maintain rates competitive with PG&E. Deferring revenues for use in future years is important because counterparties and rating agencies generally prefer to see stability in covering expenses with revenues rather than large net increases and decreases in revenues from year to year.

The Rate Stabilization Fund currently has a balance of \$56 million and could increase by an additional \$70 million based on strong expected Fiscal Year 2024-2025 results.

Unfortunately, the current projections of PG&E's 2026 generation rates and PCIA suggest that for SCP to maintain competitive rates, the agency may need to utilize nearly the entire projected \$126 million in the Rate Stabilization Fund by the end of calendar year 2026. Because it is extremely difficult to predict PG&E's generation rates and PCIA fee for 2027, staff feel that it is prudent to improve reserves in 2025 to reduce the likelihood of fully exhausting SCP's Rate Stabilization Fund in 2026. This would involve reducing SCP customers' total bill savings by increasing rates starting on September 1, 2025, with the aim of collecting an incremental \$20 million in revenues before reducing SCP customer rates in early 2026 to remain competitive with PG&E's rates. This will reduce the projected withdrawals from the Rate Stabilization Fund in 2026 by a like amount and hopefully enhance fiscal stability in 2027 as well.

Staff are recommending the implementation of new customer rates on September 1, 2025, as shown in Attachment 1 such that:

- SCP customer total bills have a target of 0.5% below PG&E's bundled service total bills through December 31, 2025, based on PG&E's rates as of July 28, 2025.
- All rate classes reset so SCP customer total bills have an equal percentage savings from PG&E's bundled service total bills.

Note that PG&E is expected to decrease its delivery rates on September 1, 2025. This will result in a slightly greater savings percentage for SCP customers vs. PG&E bundled customers on total electric bills and offset to some degree the increase in generation rates.

Fiscal Impact

As detailed throughout this report, the impact of this action would increase SCP's Rate Stabilization Fund by approximately \$20 million and allow SCP to maintain competitive rates through calendar year 2026 with improved conditions for supporting competitive rates in 2027 as well.

Attachments

Attachment 1 - Proposed SCP Rate Schedule Effective September 1, 2025, available at this link or by request to the Clerk of the Board



Staff Report - Item 11

To: Sonoma Clean Power Authority Board of Directors

From: Sylvia Lemus, Director and Ad Hoc Member

Stephen Zollman, Director and Ad Hoc Member Patricia Farrar-Rivas, Director and Ad Hoc Member Lynda Hopkins, Director and Ad Hoc Member

Geof Syphers, Chief Executive Officer

Issue: Receive Presentation on Funding Partnership and Loan Opportunity for

Local Small Business Support Hub; Approve \$500,000 Funding
Partnership and Delegate Authority to the Chief Executive Officer to
Negotiate and Finalize Details on a Secured Loan to Nexo Media

Foundation 501(c)3 Not to Exceed \$4 Million

Date: August 7, 2025

Requested Action

Approve a funding agreement of not to exceed \$500,000 to the Nexo Media Foundation a 501(c)3 non-profit dba The Economic Launchpad Hub subject to the terms further described in this staff report; delegate authority to the CEO to negotiate a secured loan to the Nexo Media Foundation not to exceed \$4,000,000 for the purpose of purchasing a building to house the Economic Launchpad Hub.

Background

Over the past two years, the Sonoma Clean Power (SCP) Board has pursued innovative strategies to support the local economy, recognizing that long-term climate and energy goals are closely tied to economic resilience. In particular, the Board has prioritized investments that strengthen access to opportunity across all communities—including small business owners who may face unique barriers due to income, language, or past exclusion from traditional support systems.

Many local nonprofits that assist entrepreneurs operate with limited coordination and resources. As a result, navigating services can be burdensome, especially for business owners who don't already have strong networks or prior experience.

In November 2023, the Board created the Local Project Investment Fund to generate long-term revenue for customer rate relief through infrastructure investments. In March 2025, the Board expanded this vision by forming an ad hoc committee to explore investing a portion of that fund into a local small business support hub. In April 2025, Hector Velazquez, Founder of the non-profit and Executive Director of the Hispanic Chamber of Commerce of Sonoma County, presented a compelling concept modeled after a successful Oakland initiative.

Today's proposal builds on that momentum.

Discussion

Nexo Media Foundation (Recipient) has proposed the Economic Launchpad Hub (Hub) a centralized, physical space and online platform that provides hands-on, culturally fluent support to a broad range of local entrepreneurs. Services would include one-on-one advising, workshops, licensing help, media production, coworking space, and access to capital partners.

By co-locating services in one place, the Hub reduces duplication and increases efficiency—especially for smaller or newer businesses that often struggle to navigate public and nonprofit systems.

The Hub plans to launch with active participation by the State Hispanic Chamber of Commerce while expanding partnerships with other Chambers, the Economic Development Collaborative (EDC), and business-focused organizations across the county.

The staff recommendation includes both a funding partnership and a secured loan, structured to minimize SCP's financial risk while providing direct, lasting value to SCP's mission—including enhanced outreach to hard-to-reach customers, storytelling opportunities that highlight SCP's community impact, and dedicated access to teach energy-saving strategies to local businesses.

Sonoma County is home to over 14,600 businesses, and more than 95% employ fewer than 50 people. Small businesses are the foundation of our local economy. Yet many lack access to startup tools and trusted support–particularly those without existing networks or fluency in navigating traditional systems. The Economic Launchpad Hub aims to serve all entrepreneurs while also removing common access barriers that disproportionately affect low-income, Latino, BIPOC, LGBTQ+ and immigrant business owners.

The EDC describes small businesses as a "critical piece" of the regional economy. Sonoma County's Latino population, now nearly 29% of residents, represents a growing share of local business formation. The Hub addresses a service gap by offering business support that is easy to access, relevant to diverse communities, and tailored to today's digital and in-person needs.

Services will include:

- One-on-one multilingual advising and community-led workshops
- Help navigating business licenses, EINs, and startup processes
- Access to coworking and media tools for branding and marketing
- Outreach in partnership with groups like the Economic Development
 Collaborative, Hispanic Chamber, Black Chamber of Commerce, Asian American
 Pacific Islander Coalition of the North Bay, Creative Sonoma, and Sonoma SBDC

The Economic Launchpad Hub fills practical gaps that existing services (like the SBDC) do not currently meet—especially physical shared space, hands-on media support and access to technology.

This proposal supports SCP's goals in four key ways:

1. Access to Hard-to-Reach Customers

Many of SCP's customers who run or plan to start small businesses are unaware of the tools and programs SCP offers. By partnering with the Hub, SCP can reach more of these customers—especially those who might not otherwise engage with traditional outreach.

2. Marketing and Visibility

SCP will gain a regular stream of real-world success stories, co-hosted events, and positive visibility. Hub participants will be encouraged to share how they've grown—and how SCP's support helped—providing an authentic narrative about our community impact.

3. Ongoing Energy Education

The Hub will allow SCP to provide classes and one-on-one support in its facility for high electric bills, energy efficiency, and related energy topics.

4. Long-Term Mission

Strengthening the small business economy helps SCP in multiple ways: by building more resilient communities, helping customers manage high bills

through education, and offering a visible and inclusive model of economic transformation aligned with climate goals.

Proposed Launch Grant

Staff propose the initial funding be released in four tranches, with further details on reporting and partnership obligations included in the first attachment.

- **Tranche 1:** \$100,000 upon full execution of this agreement and initial program setup.
- **Tranche 2:** \$150,000 upon SCP's issuance of a secured loan to Recipient and execution of a real estate purchase contract for the Hub facility.
- **Tranche 3:** \$100,000 upon verified opening of the Hub for business operations.
- **Tranche 4:** \$150,000 upon Recipient securing at least \$150,000 in matching funding (from donations, leases, or grants from other entities).

In addition to quarterly reporting obligations described in the attachment, starting in Year 2 and continuing for the duration of Hub operations, Recipient would be obligated to share:

- Success stories showcasing entrepreneurs or organizations helped by the Hub
- Annual impact statistics (e.g., number of businesses served, partnerships formed)
- Updates on Hub infrastructure and community activities

In addition, to support SCP's clean energy and community mission, Recipient would agree to:

- Provide SCP with priority scheduling rights to host up to four educational workshops per year at the Hub focused on energy savings, bill assistance, or related topics.
- Provide ongoing access to the Hub's media room (including green screen, lighting, and recording equipment) at no cost for up to 30 hours/year, with scheduling coordinated in advance.
- Recognize SCP as a Founding Partner on all major signage and digital media related to the Hub.

Proposed Delegation to Negotiate and Finalize a Secured Loan

Given that the exact building for the Hub has not been identified, staff recommend the Board delegate authority to the CEO to work with SCP's Special Counsel to finalize a loan agreement with the following parameters:

- Secured by the building with no other creditors. SCP would obtain full ownership of the Hub's building if the Recipient were to default on the loan.
- Amount not to exceed \$4 million.
- Loan is financial only and carry no ownership rights beyond security in the event of default. This means that the Recipient is solely responsible for all building maintenance, insurance, improvements, liabilities, etc.
- Standard commercial terms, including an interest rate that is within the normal range for local banks.

In addition, the loan agreement shall mirror the funding agreement in all public benefit requirements, including:

- Priority access for SCP to participating businesses and clients
- Opportunities for SCP to deliver energy and climate workshops
- Support with managing high bills and energy education
- Ongoing communication with clients and storytelling partnerships to highlight local success

Fiscal Impact

This item has a definite expense of up to \$500,000 in initial dollars and an estimated worst-case cost of an additional \$800,000, based on presuming that SCP absorbs a 20% loss on the resale of any secured property from the loan. Actual losses—even in a circumstance where the borrower defaults—are unlikely to be this large. While the upside financial benefit to the region is presumed to be considerable, staff do not try to estimate its value here.

Attachments

- Attachment 1 Draft Funding Agreement Term Sheet
- Attachment 2 Proposal on the Economic Launchpad Hub

DRAFT FUNDING AGREEMENT TERMS

Between Sonoma Clean Power Authority and NexoMedia Foundation (The "Economic Launchpad Hub")

Date: August 7, 2025

Total Amount: Maximum of \$500,000.00

Term: September 1, 2025, through August 31, 2026, with continuing obligations afterward

Funder: Sonoma Clean Power Authority ("SCP")

Recipient: Nexo Media Foundation Inc. dba The Economic Launchpad Hub ("Recipient")

Purpose of Agreement

The purpose of this funding agreement is to help launch and operate the Economic Launchpad Hub—an inclusive small business support center focused on underserved entrepreneurs in Sonoma County, with a goal of supporting the formation of similar services to Mendocino County, and also to Lake County if that region chooses to join SCP in the future. The funding supports a mix of facility costs, staff, consultants, equipment and supplies. The funding serves a public purpose of SCP including for the following reasons:

1. Access to Hard-to-Reach Customers

Many of SCP's customers who run or plan to start small businesses are unaware of the tools and programs SCP offers. By partnering with the Hub, SCP can reach more of these customers—especially those who might not otherwise engage with traditional outreach.

2. Marketing and Visibility

SCP will gain a regular stream of real-world success stories, co-hosted events, and positive visibility. Hub participants will be encouraged to share how they've grown—and how SCP's support helped—providing an authentic narrative about our community impact.

3. Ongoing Energy Education

The Hub will allow SCP to provide classes and one-on-one support in its facility for high electric bills, energy efficiency, and related energy topics.

4. Long-Term Mission

Strengthening the small business economy helps SCP in multiple ways: by building more resilient communities, helping customers manage high bills through education, and offering a visible and inclusive model of economic transformation aligned with climate goals.

Funding Disbursement Schedule

Disbursement of the \$500,000 in funds shall follow these milestone-based releases:

- **Tranche 1:** \$100,000 upon full execution of this agreement and initial program setup.
- Tranche 2: \$150,000 upon SCP's issuance of a secured loan to Grantee and execution of a real estate purchase contract for the Hub facility.
- **Tranche 3:** \$100,000 upon verified opening of the Hub for business operations.
- Tranche 4: \$150,000 upon Grantee securing at least \$150,000 in matching funding (from donations, leases, or grants from other entities).

All disbursements require SCP's written approval confirming milestone completion.

Importantly, this funding agreement should not be construed as an on-going commitment to providing further funding in the future.

Reporting Requirements

Year 1: Quarterly Reports

Recipient will submit simple quarterly reports for the first 12 months from agreement execution. Each report (max 3 pages) shall include:

- A brief update on progress toward milestones
- Approximate number of entrepreneurs or community members served
- Notable stories or challenges
- Summary of expenditures to date
- Upcoming events or activities

Ongoing: Annual Reporting

Starting in Year 2 and continuing for the duration of Hub operations, Recipient shall submit one annual summary including:

2 or more success stories showcasing entrepreneurs or organizations helped by the
 Hub

- Basic annual impact statistics (e.g., number of businesses served, partnerships formed)
- Updates on Hub infrastructure and community activities

SCP Partnership Provisions

To support SCP's clean energy and community mission, Recipient agrees to:

- Provide SCP with priority scheduling rights to host up to four educational workshops per year at the Hub focused on energy savings, bill assistance, or related topics.
- Provide ongoing access to the Hub's media room (including green screen, lighting, and recording equipment) at no cost for up to 40 hours/year, with scheduling coordinated in advance.
- Provide priority access to SCP in outreach to Hub participants for education opportunities on high bills, energy education, or other topics as reasonably requested by SCP.
- Recognize SCP as a Founding Partner on all major signage and digital media related to the Hub.
- Allow SCP early access to success stories that may be jointly promoted or featured in SCP communications, with participant consent.

Use of Funds

Funds may be used for personnel, equipment, supplies, facility costs, and consulting services directly related to establishing and operating the Hub. SCP reserves the right to review use of funds at any time.

Compliance and Clawback

If Recipient fails to meet agreed-upon milestones or uses funds for unrelated purposes, SCP may withhold future payments and/or seek repayment.





Purpose of the Proposal

INTRODUCTION

Welcome to a brief yet powerful introduction to our Economic Launchpad Hub, a community-centered initiative built to support entrepreneurs, strengthen local organizations, and drive meaningful and lasting economic change through collaboration and impact where it's needed most.

It is a glimpse into a dynamic Hub where entrepreneurs rise, communities connect, and collaborative action ignites real economic transformation.

"The Flores family had spent over a year trying to obtain an EIN without success. As part of our very first cohort, they learned how to apply in just five minutes. By the end of the workshop series, they landed their first commercial cleaning contract. A true breakthrough moment."

THE PROBLEM WORTH SOLVING

Currently, small business support in our region is fragmented, difficult to access, and often ineffective particularly for Latino, Black, LGBTQ+, and other underserved or underrepresented entrepreneurs. Resources are siloed across numerous government agencies and nonprofits that not only compete for the same limited funding but also lack the infrastructure to serve business owners effectively. Many are operating without basic essentials like meeting rooms, workspaces, reception staff, or media production tools. As a result, entrepreneurs are forced to navigate a confusing maze of disconnected services, wasting valuable time, energy, and momentum. Too often, they abandon their journey before realizing their potential.

This disjointed landscape creates unnecessary barriers to launching, sustaining, and scaling small businesses, particularly for underrepresented and resource-constrained entrepreneurs. There is a pressing need for an *Economic Launchpad*Hub—a one-stop shop that brings together the physical space, tools, training, community, and capital access entrepreneurs need to thrive in today's competitive economy.



THE PROPOSED SOLUTION

The *Economic Launchpad Hub* is a centralized, one-stop destination designed to empower entrepreneurs and small businesses by providing integrated access to professional services, business infrastructure, and growth-oriented programming. By combining physical space with wraparound support and community connection, the Hub eliminates fragmentation and provides a streamlined, inclusive pathway to launch, sustain, and scale businesses, especially for those historically left out of traditional business ecosystems.



Comprehensive Business Infrastructure & Resources

The Hub offers modern, professional amenities, private cubicles, open seating, high-speed internet, printing/scanning, media and podcast studios, and fully equipped conference rooms. Entrepreneurs gain access to the tools they need to run and grow their business with confidence and credibility.



Integrated Support Services & Skill Development

Through workshops, coaching, peer cohorts, and emotional intelligence training, the Hub delivers critical services that build business capacity, from financial planning and branding to decision-making under pressure and executive leadership. Business owners can access the same level of support typically reserved for larger enterprises.



Community Connectivity & Capital Access

The Hub serves as a bridge to local chambers of commerce, investors, capital providers, and economic development partners. It fosters collaborative networking, promotes visibility, and increases access to funding opportunities that help small businesses move from survival to sustainable success.

CORE COMPETENCIES

The *Economic Launchpad Hub* specializes in hands-on, high-touch support that meets entrepreneurs where they are and moves them forward with clarity and confidence. Our core strength lies in delivering personalized guidance, strategic insight, and actionable planning that transforms business potential into measurable growth. By providing deeply engaged, solutions-driven support, we help small business owners build strong foundations and scale with purpose.



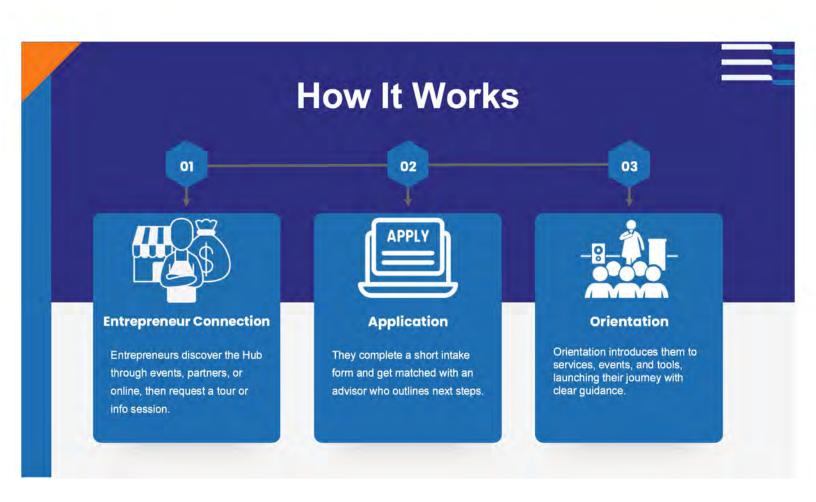
- One-on-One Business Advising
- Strategic Planning Sessions



- Marketing& Sales
- · Brand Building Support



- · Access to Capital Guidance
- · Financial Planning
- Budgeting Assistance









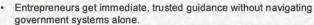




HUB BENEFITS, IMPACT,

& OPPORTUNITY

Key Bene



 Centralized access to advising, workshops, legal/tax clinics, and startup tools saves time and confusion.

 Collaborative workspaces and peer learning foster stronger networks and accountability.

 Ongoing access to advisors, funding prep, and tailored programs strengthens long-term success

 Local chambers of commerce and nonprofit partners co-locate, reducing overhead and increasing their capacity to serve by sharing office and meeting space



Impact on Businesses

- Entrepreneurs from Latino, Black, LGBTQ+, and other underrepresented communities receive culturally competent and accessible support tailored to their unique needs
- · Businesses launch faster and with greater confidence.
- Owners report increased clarity on licensing, capital, and growth strategy.
- Many transition from informal to formally registered operations (LLCs, EINs, FBNs).
- Participants secure funding, contracts, and new partnerships more effectively.
- The Hub ecosystem boosts visibility, legitimacy, and community trust for entrepreneurs.

ONLINE RESOURCE HUB: Empowering Entrepreneurs at Their Fingertips



At the Economic Launchpad, powerful business-building tools are just a click away. Our Online Hub Resources are designed to eliminate guesswork and give entrepreneurs the clarity, confidence, and structure they need to take dominion in their space. From day one to growth mode, everything they need to become and thrive as a business owner is right at their fingertips. No more feeling stuck, confused, or overwhelmed, this is where entrepreneurship becomes accessible, strategic, and empowering. The Online Hub is the digital launchpad, helping entrepreneurs not just start a business, but own their lane with boldness, excellence, and direction.

HUB DEVELOPMENT & DEPLOYMENT

Hub Development 1-2 MONTHS

- Define the Hub's purpose and anchor it in community needs.
- Secure a space, partners, and a roadmap grounded in collaboration.
- Build trust with future funders, advisors, and cultural leaders.

Pre Launch Phase 2 MONTHS

- Prepare the space, systems, and staff for activation.
- Formalize partner roles and train team members to deliver tailored support.
- Generate buzz through soft openings, previews, and partner-led outreach.

Launch Phase

3 Months

- Open doors with high visibility: ribbon cutting, media, and community presence.
- Begin delivering services intakes, orientations, workshops, and advising.
- Share early success stories and user feedback to build credibility.

Full Deployment 6 Months

- Operate as a thriving ecosystem with layered services and daily activity.
- Expand access: microgrants, pop-up markets, digital tools, and evening hours.
- Measure growth, impact, and relationships — and keep evolving.

IMPLEMENTATION PLAN

Align & Identify

- Align mission, goals, and partners around a shared vision.
- Identify facility, staffing needs, and core services to launch.
- Map timelines, milestones, and early success metrics.

Prepare & Build

- Prepare the physical space, branding, and tech systems.
- Build out intake forms, CRM (done), and program delivery processes.
- Finalize MOUs and onboard key collaborators and advisors.

Host & Enroll

- Host an energizing grand opening with media, funders, and community leaders.
- Begin enrolling entrepreneurs, delivering workshops, and scheduling advising sessions.
- Collect early feedback and highlight quick wins.

Expand & Measure

- Expand services, adjust based on demand, and strengthen the referral network.
- Launch additional offerings like grant programs or evening access.
- Measure impact, report outcomes, and plan for sustainable scale.

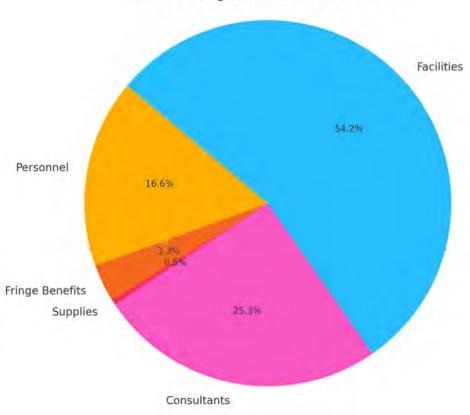


PROJECT

The Economic Launchpad's 2025 annual budget of \$500,000 strategically prioritizes infrastructure, expert consulting, and lean staffing to maximize impact and efficiency. Over half the budget (54%) is allocated to facilities to ensure a stable and professional environment, while 25% supports specialized consulting services critical to program delivery. Personnel and fringe benefits account for 20%, reflecting a streamlined internal team supported by external expertise. This balanced approach enables the Launchpad to operate as a high-impact, resource-efficient hub for economic development.



Annual Budget Year 2025 Breakdown



PROGRAM LOGIC MODEL



INPUTS

These inputs fuel the Hub's infrastructure and programs to provide equitable access to business support services.

Resources that enable the Hub to function and deliver its mission. Funding, staffing, strategic partnerships, community goodwill, volunteer expertise, facilities, technology, and access to local business and economic networks.



ACTIVITIES

These activities are designed to build small business capacity, connect communities, and support business growth.

Core actions and engagements driven by the Hub to serve entrepreneurs and partners. Business advising, workshops, training sessions, peer cohorts, orientation tours, partner onboarding, technical assistance, marketing support, and capital readiness programs.

OUTPUTS

Outputs reflect the immediate reach and productivity of the Hub's efforts.

Tangible, trackable results of program delivery.

Examples:

- Number of workshops held
- Number of entrepreneurs receiving one-onone advising
- Number of businesses connected to capital or resources
- · Number of partnerships formalized
- Number of online tools accessed/downloaded

OUTCOMES

Outcomes reflect the lasting impact of the Hub in driving equity, economic mobility, and business sustainability.

Measured changes and results experienced by clients and communities as a result of the Hub's activities.

Short-Term Outcomes:

- Increased awareness of business support services
- Improved confidence and clarity in business decision-making
- Formal business registrations (EIN, FBN, LLCs)

Intermediate Outcomes:

- · Access to funding and contracts
- Strengthened business systems (financials, marketing, operations)
- Growth in formal partnerships and referral pipelines

Long-Term Outcomes:

- · Sustainable small business growth
- Increased job creation and community economic stability
- Expanded representation of underrepresented entrepreneurs in local economies

THE ECONOMIC LAUNCHPAD HUB

Nexo Media Foundation LEADERSHIP TEAM











Hector Velaquez

FOUNDER/CEO

Bio: A dedicated community advocate and media entrepreneur, Hector Velazquez leads Nexo Media Inc. and Nexo Radio while championing underserved communities through his nonprofit, Red LatinX The HUB, which builds bridges between businesses, CBOs, government, and the LatinX community.

Fernando J. Carrillo

INTERIM CHAIR

Bio: Femando joined
Merrill Lynch Wealth
Management in 2016 and
brings decades of
experience helping
individuals, families, and
small businesses develop
tailored wealth
management plans since
1998 across both for-profit
and non-profit sectors.

Veronica Garcia

Board Member

Bio: Veronica Garcia is a
Treasury Management
Associate at Bank of
Marin with nearly 20 years
of financial services
experience. She is also an
active community leader
in Sonoma County and is
pursuing a degree in
Human Resources
Administration.

Hugo Mata

Bio: With over 20 years of experience in bilingual environmental outreach and community-based marketing, Hugo Mata is a leader in environmental education and waste diversion. He holds a B.A. in Radio and Television from San Francisco State University and hosts *Nuestra Tierra*, a weekly environmental radio show on KBBF 89.1FM.

Jose Antonio Trejo TREASURER

Bio: Jose is the owner of Trejo
Insurance Services, with over 20 years
of experience helping individuals and
businesses protect what matters most.
Jose has guided clients through
everything from everyday policies to
major natural disasters with
professionalism and heart. Passionate
about community, he brings a personal
touch to insurance—treating every
client like family.

Our Value to the Community

Distinctive Impact Statement

The Economic Launchpad Hub is a one-stop destination for aspiring and established entrepreneurs to access the tools, services, and relationships they need to thrive, regardless of background, identity, or belief. As a fully integrated ecosystem, the Hub brings together business advisors, community partners, training programs, and capital resources under one roof, eliminating the fragmentation that holds many back. Rooted in cultural sensitivity and radical inclusivity, the Hub ensures every entrepreneur, whether navigating their first business license or scaling for growth, receives personalized, respectful, and high-quality support that reflects the diversity of the communities it serves.

Radical inclusivity means creating a welcoming, respectful, and equitable space where everyone regardless of race, ethnicity, age, gender, income, identity, religion, or lived experience is valued, supported, and empowered to succeed. It goes beyond basic access to ensure that services, language, resources, and engagement reflect the diverse realities of all people, without exclusion or favoritism. At the Hub, radical inclusivity means no one is left out whether you're a firstgeneration entrepreneur, a retired veteran starting a new venture, a suburban consultant, or a creative professional from any walk of life. Everyone deserves a seat at the table and the support to thrive.

FUNDING REQUEST

Why SCP

SCP is already deeply engaged. As a key member of the *Celebrate Communities* partnership, SCP seen firsthand how the demand for more efficient and accessible small business services surfaces year after year. Supporting strategic community giving and sustainable infrastructure is central to SCP's mission and this initiative directly aligns with those priorities.

here.

Call to Action

Join us in shaping the future of small business success. Whether you're an entrepreneur ready to grow, a partner ready to serve, or a stakeholder ready to invest. The Hub is your platform to make lasting impact.

Let's build it together. Your next step starts

GRANT FUNDING REQUEST \$500,000



CONTACT US

NexoMedia Foundation is a 501c3, Tax ID # 85-2706759



Phone

707.266.7276



Email

hector@redlatinx.com



Website

https://redlatinx.com



Location

2455 Bennett Valley Rd. Ste. B314



Staff Report - Item 12

To: Sonoma Clean Power Authority Board of Directors

From: Geof Syphers, Chief Executive Officer

Ryan Tracey, Director of Planning & Analytics

Miles Horton, Legislative Policy & Community Engagement Manager

Chris Golik, Senior Finance Manager

Issue: Adopt a Resolution 2025-04 Offering Participation in Sonoma Clean

Power to Unincorporated Lake County, the City of Clearlake, and the

City of Lakeport Subject to Specific Criteria

Date: August 7, 2025

Recommended Action

Adopt a resolution that offers participation in Sonoma Clean Power's community choice aggregation program and waive any waiting period for receiving access to rebates and incentives to Unincorporated Lake County, the City of Clearlake, and the City of Lakeport with the following criteria:

- All three Lake County jurisdictions choose to join SCP by or before October 31, 2025, as evidenced by the final approval of an ordinance to satisfy CPUC requirements.
- 2. All three Lake County jurisdictions agree to abide by the Joint Powers Agreement dated October 13, 2016, by passing a resolution to that effect by or before October 31, 2025.
- 3. Lake County agrees to join the GeoZone with an understanding that the SCP Board agrees to exclude SCP projects from being proposed within the existing Lake County Geothermal Setback Area.
- 4. Waive the terms of Policy D-4 in order to allow Lake County customers to access SCP rebates and incentives immediately upon start of service.

Background

On June 5th, 2025, the SCP Board voted unanimously to determine that an expansion of SCP service to Unincorporated Lake County, the City of Clearlake, and the City of Lakeport (collectively "Lake County") was consistent with Policy D-4 (Attachment 2) and initiated a 60-day waiting period for SCP's member jurisdictions to review a feasibility study prior to voting on whether to extend an offer. Based on a review of market and regulatory conditions in April 2025, the feasibility study found that an expansion to Lake County would be financially beneficial to SCP's existing members and likely provide conditions for offering discounted rates to Lake County. The feasibility study also enumerated a comprehensive list of benefits–including broadening the Geothermal Opportunity Zone (GeoZone) partnership, increasing opportunities for electrification, providing flexibility in SCP's portfolio, and amplified advocacy. The study also identified key risks including the inability of SCP to guarantee rate savings, higher than expected customer opt-outs, credit rating impacts, and the difficulty for a jurisdiction to leave CCA service after joining.

The 60-day waiting period for considering the results of the feasibility study ends on August 4th, which gives the Board the opportunity to vote on whether to extend an offer to Lake County in the scheduled August 7th meeting. The offer will be made by adopting a resolution that can specify conditions including acceptance of SCP's Joint Powers Agreement (JPA) and a deadline for Lake County's approval of the ordinance and resolution required for membership in SCP. An example of the resolution used for offering service to Mendocino County in 2016 is included as Attachment #1 for reference. Staff will work with counsel on drafting a similar resolution for Lake County.

Community Advisory Committee Review

The Community Advisory Committee reviewed this matter on July 17, 2025, and recommends the Board offer service with a requirement to participate in the GeoZone. The discussion around the necessity of participating in the GeoZone centered on:

Needing confirmation that Lake County is aligned with SCP's long-term goals
of building 600 MW of new low-water geothermal in Sonoma and Mendocino
Counties, and with adding Lake County in ways that respect the existing
Geothermal Setback Area.

 Needing to resolve any concerns with the overall purpose of SCP's GeoZone before committing to a long-term relationship. While the details of any GeoZone projects are still in the future (e.g., location, technology, specific requirements on land and water, etc), the purpose of the GeoZone is to establish the community expectations and steer local geothermal development in ways that respect local needs.

Discussion

Evolving Regulatory and Market Conditions

On June 26th, 2025, the California Public Utilities Commission (CPUC) adopted a change to the calculation methodology for the Power Charge Indifference Adjustment (PCIA). The CPUC's change was in response to recent market conditions that have sharply driven up the value of resource adequacy (RA) and correspondingly have put downward pressure on PCIA. The CPUC's new methodology shifts from using data from a single year for valuing RA to a four-year average. The effect is that the credit SCP customers receive for the RA value of PG&E's PCIA portfolio is significantly reduced from its current value, increasing the PCIA. The impact of the change is most pronounced in 2026, but SCP is also expecting a higher PCIA in 2027 than was forecasted in the feasibility study—which was modeled on the single-year methodology.

The CPUC is also considering future changes to the crediting of PG&E's battery contracts in the PCIA. The crediting of battery resources is not a concern for SCP's existing customers, because PG&E's batteries have all been procured following the departure of Sonoma and Mendocino counties. However, the valuing of battery storage resources is critically important to the PCIA that would be borne by Lake County customers. The lower PCIA forecasted for Lake County in the feasibility study is due to the strong economic valuation of PG&E's more recent contracts, which mostly include battery storage. If the CPUC decides to devalue battery storage, the PCIA for Lake County would increase. Coupled with the four-year change described above, staff are concerned with the risk of regulatory conditions making it more difficult to offer savings to Lake County when starting service in 2027 than what was characterized in the feasibility study.

An additional concern from staff is the potential impact to the energy market from the recent federal legislation eliminating clean energy tax credits. The elimination of tax credits is widely expected to increase the cost of energy. It is too soon to estimate the

timing and magnitude of impact to the energy market–but conditions will certainly diverge from the market assumptions used in assessing the cost of procuring incremental energy to serve Lake County in the feasibility study.

The regulatory and market dynamics over the past three months described above may seem alarming, but they are reflective of the types of ups and downs SCP is used to navigating over its 11-year history. Staff continue to see a structural financial benefit in proceeding with expansion, as well as conditions that are likely to allow for savings for Lake County customers in a majority of years. However, the timing and magnitude is already expected to differ from the forecast in the feasibility study—and it will certainly change again prior to 2027.

Lake County Presentations

SCP staff presented to the Lake County Board of Supervisors on July 8, 2025, to provide additional background on SCP service and share the results of the feasibility study. The Lake County Board of Supervisors affirmed its interest in receiving an invitation for service and asked SCP staff to join a series of monthly townhall meetings in the coming month to educate the community on the potential CCA service and respond to community concerns and questions prior to a Lake County vote to join SCP. During the meeting, Supervisors expressed caution around joining SCP due to the state's requirement that all customers default into SCP service. The Board of Supervisors also discussed the implications of making a long-term commitment by joining SCP and provided direction for their counsel to start coordinating with SCP on fully characterizing the legal risks and requirements. A public comment was made that the Board of Supervisors should consider CCA service and participation in the GeoZone separately and that more detail about the GeoZone is needed.

SCP staff also presented to the City of Lakeport on July 15th and the City of Clearlake on July 17th and were greeted with interest and a desire to coordinate a review of risks and benefits between the cities and the county. Staff have also begun presenting to a series of Lake County town hall meetings, beginning with Scott's Valley, and expect to complete at least 6 of those by the end of August.

Offer Conditions

In addition to legal requirements around abiding by the Joint Powers Agreement, staff recommend the SCP Board make an offer to service to Lake County subject to additional conditions.

- Incentives Funding: Policy D-4 provides a framework for startup costs associated with expansion being reimbursed to existing SCP through reducing available incentive funding available to customers in the new community until costs are reimbursed. In the attached example resolution offering service to Mendocino County, this was achieved by including a condition delaying funding for incentives for a period of one year. The Board ultimately waived the delayed funding to Mendocino County. Staff recommend this delay be waived to allow Lake County to access rebates and incentives upon the start of service.
- **GeoZone Membership:** In prior discussions on expansion to Lake County, both the Committee and Board have expressed a strong interest in ensuring alignment between SCP and Lake County on supporting regional geothermal development. After numerous discussions, staff recommend requiring participation in the GeoZone as a condition of service in order to daylight any serious concerns about SCP's flagship effort to construct new local geothermal resources. Since no specific project locations or technologies have yet been selected, and since the GeoZone's purpose is to steer geothermal construction in ways that local governments support, staff encourage the SCP Board to make this a requirement for service.

Attachments

- Attachment 1 Resolution Offering Service to Lake County
- ➤ Attachment 2 Policy D.4 New Customer Communities_ Adopted 2015.12.03, available at this link or by request to the Clerk of the Board

RESOLUTION NO. 2025-04

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA CLEAN POWER AUTHORITY, OFFERING PARTICIPATION IN THE SONOMA CLEAN POWER AUTHORITY COMMUNITY CHOICE AGGREGATION PROGRAM TO THE COUNTY OF LAKE AND THE CITIES OF LAKEPORT AND CLEARLAKE, SUBJECT TO CERTAIN CONDITIONS

WHEREAS, Sonoma Clean Power Authority ("Sonoma Clean Power Authority" or "SCP") was formed on June 4, 2012 under the provisions of the Joint Exercise Powers Act of the State of California, Government Code section 6500 et seq. and as set forth in that certain Third Amended and Restated Joint Powers Agreements Relating to and Creating the Sonoma Clean Power Authority, effective as of October 13, 2016; and

WHEREAS, under Section 3.1 of the Third Amended Joint Powers Agreement ("Joint Powers Agreement"), the Board of Directors (Board) may allow other cities and counties to participate in the SCPA's Community Choice Aggregation program, provided certain conditions are met; and

WHEREAS, the Lake County Board of Supervisors in 2019 requested SCP to study the feasibility of expanding service to Lake County. SCP's feasibility study, which was released in March 2020, found that it would be unable to offer competitive service to Lake County residents at the time due to the expected cost of PG&E's PCIA fee on Lake County relative to the PCIA fee on SCP's existing customers; and

WHEREAS, market and regulatory dynamics following the feasibility study in 2020 have greatly improved the economic prospects for new CCA service and these conditions led to Sonoma Clean Power reengaging with Lake County, the City of Clearlake and the City of Lakeport in early 2025; and

WHEREAS, after preliminary discussions with SCP, the city managers of the City of Clearlake and the City of Lakeport made a written request to the Sonoma Clean Power Board of Directors to complete a new feasibility study. Likewise, the Lake County Board of Supervisors authorized staff to submit a written request for a feasibility study after discussion during the April 15, 2025 meeting; and

WHEREAS, SCPA Administrative and General Policy D.4, sets forth criteria to be used by the Board when considering service requests from other jurisdictions; and

WHEREAS, SCPA staff has engaged in discussions with Lake County, City of Clearlake and City of Lakeport staff about the possible extension of SCPA service to those jurisdictions; and

WHEREAS, in May 2025, SCPA published an updated feasibility study to understand the feasibility of an extension to Lake County and the incorporated cities of

Clearlake and Lakeport (the "Lake jurisdictions") as well as the impacts on SCPA customers and regional greenhouse gas emission; and

WHEREAS, based upon staff's analysis, the Board of Directors has determined that the proposed participation in SCPA's CCA program by the jurisdictions of Lake County, and the cities of Lakeport and Clearlake, would, if subject to certain conditions, be consistent with the criteria in Policy D.4, and in the best interests of SCPA, its customers, and the public generally.

NOW, THEREFORE, BE IT RESOLVED THAT:

- 1. The foregoing recitals are true and correct.
- 2. The Board of Directors offers participation in the SCPA Community Choice Aggregation program by the County of Lake and the incorporated cities of Clearlake and Lakeport, subject to the following conditions:
 - a. Adoption by all three of the Lake jurisdictions of the resolutions and ordinances required by California Public Utilities Code §366.2 by or before October 31, 2025.
 - b. Adoption by the Board of Directors of the resolution required by Section 3.1(b) of the SCPA Joint Powers Agreement with the understanding that the Board of Directors will waive any waiting period in Policy D.4 for Lake jurisdictions to access rebates and incentives.
 - c. Approval by Lake County to join the Geothermal Opportunity Zone by or before October 31, 2025 with the understanding that SCP will not propose a geothermal power project within the existing Lake County Geothermal Setback Area.
- 3. Participation of the Lake jurisdictions in the SCPA Community Choice Aggregation program will be subject to the following conditions, which may be incorporated into the final conditions of approval of participation by the Board of Directors pursuant to Section 3.1(e) of the SCPA Joint Powers Agreement:
 - a. Two seats on the SCP Board One seat for a representative of the Lake County Board of Supervisors and one seat shared between the City of Clearlake and City of Lakeport.
 - b. SCPA revenues and program funds may be used only for expenditures falling within the purposes of SCPA as set forth in the Joint Powers Agreement, and may not be used for the Lake jurisdictions for general governmental purposes.

- 4. In evaluating compatibility of Lake County load with SCP's existing portfolio, as well as considering revenue and customer service impacts, the feasibility study recommends a start of service date on or about the month of May 2027.
- 5. The steps for Lake jurisdictions joining SCP service are established in SCP's Policy D.4, CPUC Resolution E-4907, and guided by best practices by other CCA expansions. The steps in Table 14 of the Staff Report include the activities SCP anticipates in working towards a start of service date on or about the month of May 2027 (exact date to be determined following CPUC approval of an updated Implementation Plan).
- 6. The Chief Executive Officer is authorized and directed to take such actions as are necessary to facilitate the participation of the Lake jurisdictions in the SCPA Community Choice Aggregation program, consistent with this Resolution.
- 7. This Resolution shall be effective upon its adoption.
- 8. The Board Clerk shall certify to the adoption of this Resolution.

ADOPTED AND APPROVED by the Board of Directors of the Sonoma Clean Power Authority this __7th_ day of __August___, 2025, by the following vote:

JURISDICTION	NAME	AYE	NO	ABSTAIN/ ABSENT
Cloverdale	Director Laskey			
Cotati	Director Lemus			
Ft. Bragg	Director Peters			
Petaluma	Director Barnacle			
Rohnert Park	Director Elward			
Santa Rosa	Director Fleming			
Sebastopol	Director Zollman			
Sonoma	Director Farrar-Rivas			
Windsor	Director Potter			
County of Mendocino	Director Haschak			
County of Sonoma	Director Hopkins			

In alphabetical order by jurisdiction	
---------------------------------------	--

	Chair, Sonoma Clean Power Authority
Attest:	
Clerk of the Board	

Administrative and General Policy D.4

New Customer Communities

Whereas, the Sonoma Clean Power Authority's (SCPA) purposes include:

- Reducing greenhouse gas emissions related to the use of power in Sonoma County and neighboring regions;
- Providing electric power and other forms of energy to customers at a competitive cost;
- Carrying out programs to reduce energy consumption;
- Stimulating and sustaining the local economy by developing local jobs in renewable energy; and
- Promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources; and

Whereas, creating opportunities for new communities to benefit from community choice aggregation programs may allow SCPA to further progress towards these purposes; and

Whereas, SCPA's default CleanStart service reduces greenhouse gas emissions when compared to the incumbent utility's default service; and

Whereas, the addition of new communities to SCPA's service territory will accelerate progress toward SCPA's and the State of California's goals on renewable energy and greenhouse gas reductions;

Therefore, in light of these considerations, it is SCPA's policy to consider providing electric service in new communities to further SCPA's goals, consistent with the criteria set forth below.

Applications to serve new communities will be considered if all of the following criteria are met:

- 1. The community is relatively close to existing SCPA service territory, so that regular meeting attendance and community engagement is practical.
- 2. The community agrees to abide by the SCPA Joint Powers Agreement, all existing SCPA adopted policies, and any conditions of service proscribed by SCPA's Board of Directors, and to take all steps required by the Joint Powers Agreement and California law to participate in the SCP program, with governance representation determined by the existing SCPA Board of Directors.
- 3. The SCPA Board of Directors finds that service to the new region:
 - a. will decrease greenhouse gas emissions;
 - b. will not increase costs or financial risks to existing SCP customers;
 - c. will be consistent with SCPA's purposes of promoting renewable energy, energy efficiency and conservation

Adopted: December 3, 2015

- 4. There should be significant political and public alignment of values between existing and proposed participants, so that fundamental conflicts over key underlying issues are less likely. This would be important, for example, in determining the balance of environmental and economic goals.
- 5. The addition of the new community is likely to increase the voice of SCPA in legislative and regulatory matters at the California Public Utilities Commission, California Energy Commission, California Air Resource Board, the California State Legislature and other relevant venues.
- 6. The addition of the new community will not harm SCPA's autonomy over its portfolio of power sources, customer programs, and its ability to serve local, community interests.
- 7. The addition of the new community will not harm the quality of service to existing SCPA customers and will not give rise to operational risks that could significantly harm SCPA's existing functions.

An applicant community that initially appears to meet the above criteria may be referred by the SCPA Board of Directors to SCPA staff for a more detailed analysis of the applicability of above criteria, and any other relevant issues, following the New Customer Community Application Procedure set forth below.

Sonoma Clean Power New Customer Community Application Procedure

- Step 1 Governing body of applicant community submits letter to SCP requesting consideration for service.
- Step 2 Staff evaluates timing of request to determine if internal resources are available to consider request, and to ensure no impact to core agency functions.
- Step 3 Staff submits request to SCPA Board of Directors along with staff's initial opinion, and the Board determines whether a full analysis is warranted. If so, staff sends a letter of acknowledgement to the applicant region.
- Step 4 Staff executes contract with governing body of new community to fund costs of membership analysis and other SCPA costs relating to adding community (e.g., cost of updating Implementation Plan). These costs would be deducted from program funding that normally would flow to the new territory until startup costs are reimbursed to SCPA's operating fund. Staff undertakes and completes a full analysis.
- Step 5 Results of membership analysis presented to governing body of new community and to SCPA Board of Directors. SCPA Board determines whether providing service to new community is consistent with Policy D-4, whether new community will be offered representation on the Board, and what other conditions will apply to new service.
- Step 6 A 60-day period will be provided for SCPA Board members to request a presentation by SCPA staff before their city or town councils or county board of supervisors, and to allow adequate time for city/town and county staff to evaluate the proposed extension of service.
- Step 7 SCPA Board of Directors votes on whether to extend a formal offer for service.
- Step 8 Governing body of new community approves resolution requesting membership and ordinance authorizing community choice aggregation service through SCPA, and takes any other actions required by the SCPA Board of Directors as a condition of service.
- Step 9 SCPA Board of Directors adopts resolution authorizing membership of the additional community, and staff submits updated Implementation Plan to CPUC.

Adopted: December 3, 2015





Staff Report - Item 13

To: Sonoma Clean Power Authority Board of Directors

From: Geof Syphers, Chief Executive Officer

Neal Reardon, Director of Regulatory & Legislative Advocacy

Issue: Conference With Legal Counsel-Existing Litigation (Paragraph (1) of

Subdivision (d) of Section 54956.9) Name of case: CPUC OIR to Update and Reform Energy Resource Recovery Account and Power Charge

Indifference Adjustment Policies and Processes, R. 25-02-005

Date: August 7, 2025

There are no written materials for this item.