



**AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, APRIL 2, 2026, 9:00 A.M.**

EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 54953.8, MEMBERS OF THE BOARD OF DIRECTORS MAY PARTICIPATE IN THE APRIL 2, 2026, MEETING AT ANY OF THE LOCATIONS SHOWN BELOW.

**SONOMA CLEAN POWER BUSINESS OFFICE
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 54953.8. If required, it will be announced by the Chair. Members of the public should attend in person or provide written comment to ensure they can provide public comment.

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

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

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

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

CALL TO ORDER

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

BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve March 5, 2026, Draft Board of Directors Meeting Minutes (Staff Recommendation: Approve) **pg. 4**
2. Receive Monthly Financial Report (Staff Recommendation: Receive and File) **pg. 9**
3. Recommend the Board of Directors Approve and Delegate Authority to the Chief Executive Officer or His Designee to Execute a Legal Services Agreement with Sonoma County Counsel in the Amount Not-To-Exceed of \$100,000 through December 31, 2028 (Staff Recommendation: Approve) **pg. 21**
4. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. 23**

BOARD OF DIRECTORS REGULAR CALENDAR

5. Receive Internal Operations Report and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 27**
6. Receive Legislative and Regulatory Updates, Approve Legislative Positions on AB 2313 (Berman) Home Electrification and SB 905 (Becker) Energy Affordability, and Provide Direction on Other Bills as Appropriate (Staff Recommendation: Receive and File) **pg. 31**
7. Review and Provide Feedback on the Draft Annual Budget for Fiscal Year 2026-2027 (Staff Recommendation: Receive and File) **pg. 37**
8. Review Strategic Action Plan and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 53**

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.)

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



**DRAFT MEETING MINUTES
BOARD OF DIRECTORS MEETING
THURSDAY, MARCH 5, 2026
9:00 A.M.**

CALL TO ORDER

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

Chair Barnacle called the meeting to order.

Board Members present: Chair Barnacle, Vice Chair Elward, Directors Laskey, Albin-Smith, Stapp, Carter, Farrar-Rivas, Haschak, Hopkins. Director Lemus and Potter were absent.

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Garth Salisbury, Chief Financial Officer and Treasurer; Ryan Tracey, Chief Strategy Officer; Neal Reardon, Director of Policy & Legislative Affairs; Miles Horton, Legislative Policy & Community Engagement Manager; Claudia Sisomphou, Director of Community & Governmental Relations; Carolyn Glanton, Programs Operations Manager; Stephanie Reynolds, Director of Internal Operations; Chris Golik, Senior Finance Manager; and Karen Flores, Clerk of the Board.

BOARD OF DIRECTORS CONSENT CALENDAR

(9:03 a.m. - Video Time Stamp: 00:02:10)

1. Approve February 5, 2026, Draft Board of Directors Meeting Minutes
2. Receive Monthly Financial Report
3. Receive update on PG&E's Base Service Charge - Formerly Known as the "Graduated Income Fixed Charge"

Public Comment: None

Motion to approve March 5, 2026, Board of Directors Consent Calendar by Director Haschak

Second: Elward

Motion passed by roll call vote

AYES: Laskey, Albin-Smith, Barnacle, Elward, Stapp, Carter, Farrar-Rivas, Haschak, Hopkins

ABSENT: Lemus and Potter

BOARD OF DIRECTORS REGULAR CALENDAR

4. Receive Internal Operations Report and Provide Direction as Appropriate

(9:04 a.m. - Video Time Stamp: 00:03:30)

Stephanie Reynolds, Director of Internal Operations introduced a video which was provided to Sonoma Clean Power (SCP) from the Redwood Empire Food Bank as a thank you for SCP's volunteer hours and sponsorships.

9:08 a.m. Director Lemus entered the meeting

Claudia Sisomphou, Director of Community & Governmental Relations, provided an update about the EPIC grant that SCP recently received from the California Energy Commission for the GridSavvy Rewards Demand Response Program. Four community partners were chosen to work with SCP on the grant: Latino Service Providers, Nuestra Comunidad, Council on Aging, and North Coast Opportunities.

Public Comment: None

5. Approve the Proposed Budget Adjustments for Fiscal Year 2025-2026

(9:17 a.m. - Video Time Stamp: 00:17:20)

Chris Golik, Senior Finance Manager, went over budget adjustments recommended for the fiscal year 2025-2026. Mr. Golik highlighted that the projections were factored into the rate setting parameters that were previously approved by the Board in November.

Public Comment: None

Motion to approve the Proposed Budget Adjustments for Fiscal Year 2025-2026 by Director Hopkins

Second: Carter

Motion passed by roll call vote

AYES: Laskey, Lemus, Albin-Smith, Barnacle, Elward, Stapp, Carter, Farrar-Rivas, Haschak, Hopkins

ABSENT: Potter

6. Receive Legislative and Regulatory Updates, Approve Legislative Positions on AB 1761 (Rogers) PCIA Transparency, SB 1138 (Padilla) Resource Adequacy Transactability and Other Bills as Appropriate

(9:39 a.m. - Video Time Stamp: 00:39:08)

Neal Reardon, Director of Policy & Legislative Affairs, provided an update on recent California Public Utilities Commission (CPUC) appointments. Miles Horton, Legislative Policy & Community Engagement Manager, provided an update on SCP's sponsored bills, highlighting a positive Sacramento advocacy visit and upcoming hearing for AB 2111 on transmission planning. The Board reviewed the proposed "Connect and Manage" concept in AB 2369 (Rogers), which would allow partial resource adequacy credit to better use existing transmission and reduce barriers to new clean energy development, with discussion on policy impacts and likelihood of success. Mr. Horton also requested Board support for two CalCCA sponsored measures, AB 1761 (Rogers), to increase transparency in the Power Charge Indifference Adjustment (PCIA) and SB 1138 (Padilla) to allow hourly resource adequacy transactions—both aimed at reducing customer costs.

Public Comment: None

Motion to Approve Support of Legislative Positions on AB 1761 (Rogers) PCIA Transparency, SB 1138 (Padilla) Resource Adequacy Transactability and also include affirmation of the Chair and Vice Chair's direction to support the additional "connect & manage" AB 2369 (Rogers) by Hopkins

Second: Haschak

Motion passed by roll call vote

AYES: Laskey, Lemus, Albin-Smith, Barnacle, Elward, Stapp, Carter, Farrar-Rivas, Haschak, Hopkins

ABSENT: Potter

7. Approve the Proposed Guidelines for New Public-Private Partnerships for the Geothermal Opportunity Zone

(10:04 a.m. - Video Time Stamp: 01:03:44)

Ryan Tracey, Chief Strategy Officer, updated the board on key takeaways from last year's termination of the Chevron and Cymq agreements and described a revised approach for moving the Geothermal Opportunity Zone forward. Going forward, SCP intends to transition from open solicitations to more targeted bilateral agreements, guided by proposed criteria prioritizing local projects, experienced partners, scalability, benefits to ratepayers, workforce and labor standards, environmental protections, and increased transparency.

Public Comment: None

Motion to Approve the Proposed Guidelines for New Public-Private Partnerships for the Geothermal Opportunity Zone by Farrar-Rivas

Second: Albin-Smith

Motion passed by roll call vote

AYES: Laskey, Lemus, Albin-Smith, Barnacle, Elward, Stapp, Carter, Farrar-Rivas, Haschak, Hopkins

ABSENT: Potter

8. 2026 Integrated Resource Plan (IRP) Alternatives Discussion

(10:25 a.m. – Video Time Stamp: 01:25:10)

10:55 a.m. Director Hopkins left the meeting

11:00 a.m. Director Stapp left the meeting

CSO Tracey presented SCP's approach to developing the 2026 Integrated Resource Plan (IRP), which will inform long-term resource procurement and customer programs while ensuring compliance with CPUC reliability and decarbonization requirements. He described SCP's transition to a decision-making-under-uncertainty modeling framework, reviewed progress since the 2022 IRP through newly executed and existing clean energy contracts, and discussed evaluation of future supply-side resources, local development efforts through GeoZone and SCP-led capital projects, and expanded customer energy solutions. CSO Tracey also outlined key market, regulatory, and infrastructure constraints, shared an illustrative portfolio for discussion, and proposed analyzing multiple portfolio alternatives to balance affordability, climate objectives, local benefits, and system resilience ahead of final Board adoption and CPUC filing.

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

(11:34 a.m. - Video Time Stamp: 02:33:50)

Director Albin-Smith shared that Fort Bragg will be hosting their Whale Festival March 21-22 with various activities happening throughout both days. Director Lemus shared that Cotati will be hosting their Climate Ready Fair March 28th from 10am-2pm. Director Farrar-Rivas shared that the City of Sonoma held a vigil for their sister city in Ukraine and said that during these difficult times it is so important to support both local and international partners. Director Haschak praised a whale talk in Fort Bragg that he attended. Likewise, he shared that he attended the State of the Community luncheon workshop in Ukiah where he talked about the solar project SCP is working on. Chair Barnacle shared that Petaluma's Butter and Egg Days will be on April 18th in Petaluma, as well as the first heat pump week in California will be April 11- April 19.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(11:40 a.m. - Video Time Stamp: 02:39:51)

Public Comment: None

ADJOURN

(11:40 a.m. - Video Time Stamp: 02:40:10)

The meeting was adjourned by unanimous consent.



Staff Report – Item 02

To: Sonoma Clean Power Authority Board of Directors

From: Garth Salisbury, Chief Financial Officer & Treasurer
Chris Golik, Senior Finance Manager
Jennifer Rafferty, Financial Analyst

Issue: Receive Monthly Financial Report

Date: April 2, 2026

Monthly Financial Report

The Financial Report is to inform the Board of Directors (Board) of monthly financial results and includes 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.

SCP utilizes River City Bank for most of its operations. To mitigate potential operational issues and bolster business continuity, SCP has opened an account with J.P. Morgan for backup banking services.

The January 2026 financial results below are compared against revision 1 of the FY2025/26 Budget, which was adopted by the Board on October 2, 2025. Financial results will be compared against revision 2 of the FY2025/26 Budget, which was adopted by the Board on March 5, 2026, beginning with February 2026 financial results.

Monthly Compiled Financial Statements (January 31, 2026)

The year-to-date change in net position is more than projections by approximately \$79,837,000. Year-to-date revenue from electricity sales is above budget by approximately 2% and cost of energy is under budget projections by approximately 47%. Year-to-date electricity sales reached \$155,498,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$302,429,000. Approximately \$324,252,000 is set aside for operating reserves as of June 30, 2025.

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

Budgetary Comparison Schedule (January 31, 2026)

The accompanying budgetary comparison includes the 2025/26 Amended Budget approved by the Board of Directors.

The budget is formatted to make comparisons for both the annual and the year-to-date perspective. The first column, 2025/26 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 is greater than budget by approximately 2% at the end of the reporting period.

The cost of electricity was less than the budget-to-date by approximately 47%. Variation in this account is typically due to fluctuating market cost of energy on open position purchases as well as supplier delivery delays related to long-term Power Purchase Agreements (PPAs).

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 (February 2026).

SCP currently maintains bank accounts and investments at River City Bank (RCB), Summit State Bank, the State of California Local Agency Investment Fund (LAIF), USBank, and J.P. Morgan. Active individual securities are held at RCB, USBank and JPMorgan. 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 February 28th, CAM managed about \$84 million of SCP's reserves. All investments directed by CAM are held at SCP's custodian, USBank. All investments held as of February 28, 2026, at USBank appear as Attachment 3 with new holdings purchased in February highlighted. USBank transaction details for the month of February, including sales and maturities of securities, are in Attachment 4.

River City Bank

A detailed statement of the investments held at River City Bank as of February 28, 2026, appears as Attachment 5. River City Bank transaction details for the month of February, including sales and maturities of securities, are in Attachment 6.

State of California Local Agency Investment Fund

The LAIF investment balance as of February 28, 2026, appears as Attachment 7.

J.P. Morgan

The J.P. Morgan investment balance as of February 28, 2026, appears as Attachment 8.

Agency Goals

SCP's Financial Report, and more broadly, its financial decisions, directly support two of the Agency's 2026 goals.

1. Recommend and take all necessary actions to protect customers from rate shock in 2026.
7. Maintain SCP's 'A' credit rating to support cost-effective power procurement.

Community Advisory Committee

The Financial Report is a monthly, information-only, item that requires no action. There were no questions nor feedback provided.

Attachments

- Attachment 1 – January 2026 Financial Statements
- Attachment 2 – January 2026 Budgetary Statement
- Attachment 3 – February 2026 Statement of Investments Held at USBank, available at [this link](#) or by request to the Clerk of the Board
- Attachment 4 – February 2026 Statement of Transactions at USBank, available at [this link](#) or by request to the Clerk of the Board
- Attachment 5 – February 2026 Statement of Investments Held at River City Bank, available at [this link](#) or by request to the Clerk of the Board
- Attachment 6 – February 2026 Statement of Transactions at River City Bank, available at [this link](#) or by request to the Clerk of the Board
- Attachment 7 – February 2026 Statement of Investments Held at the Local Agency Investment Fund, available at [this link](#) or by request to the Clerk of the Board
- Attachment 8 – February 2026 Statement of Investments Held at J.P. Morgan, 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 January 31, 2026, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the seven 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
March 5, 2026

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of January 31, 2026

ASSETS

Current assets	
Cash and cash equivalents	\$ 237,967,851
Accounts receivable, net of allowance	15,579,006
Other receivables	3,974,408
Accrued revenue	8,418,295
Prepaid expenses	1,102,411
Loan receivable	6,101
Deposits	930,008
Investments	97,424,482
Total current assets	<u>365,402,562</u>
Noncurrent assets	
Investments	79,542,816
Loan receivable	3,319,560
Other receivables	806,006
Deposits	16,000
Capital assets, net of depreciation	18,173,060
Total noncurrent assets	<u>101,857,442</u>
Total assets	<u>467,260,004</u>

LIABILITIES

Current liabilities	
Accrued cost of electricity	20,516,686
Accounts payable	2,196,237
Other accrued liabilities	2,204,326
User taxes and energy surcharges due to other governments	571,829
Supplier security deposits	510,000
Total current liabilities	<u>25,999,078</u>
Noncurrent liabilities	
Supplier security deposits	1,332,121
Total liabilities	<u>27,331,199</u>

DEFERRED INFLOWS OF RESOURCES

Rate stabilization fund	<u>137,500,000</u>
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NET POSITION

Investment in capital assets	17,813,545
Unrestricted	284,615,260
Total net position	<u>\$ 302,428,805</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Seven Months Ended January 31, 2026

OPERATING REVENUES

Electricity sales, net	\$ 153,646,506
Evergreen electricity premium	1,851,384
Liquidated damages	15,032,388
Grant revenue	355,174
Total operating revenues	<u>170,885,452</u>

OPERATING EXPENSES

Cost of electricity	91,018,840
Contract services	5,626,542
Staff compensation	7,073,359
Program rebates and incentives	1,629,692
Other operating expenses	1,737,401
Depreciation	834,891
Total operating expenses	<u>107,920,725</u>
Operating income	<u>62,964,727</u>

NONOPERATING REVENUES (EXPENSES)

Investment income	9,866,873
Charitable contribution	(250,000)
Nonoperating revenues (expenses), net	<u>9,616,873</u>

CHANGE IN NET POSITION

	72,581,600
Net position at beginning of year	229,847,205
Net position at end of period	<u><u>\$ 302,428,805</u></u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS Seven Months Ended January 31, 2026

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 160,898,747
Receipts from grantors	301,811
Receipts of security deposits and liquidated damages revenue	19,651,124
Receipts from wholesale sales and other operating activities	26,240,975
Payments to electricity suppliers	(113,858,440)
Payments for other goods and services	(7,670,291)
Payments for staff compensation	(7,140,149)
Payments for program rebates and incentives	(1,541,435)
Payments of taxes and surcharges to other governments	(2,128,475)
Deposits and collateral paid	<u>(2,054,000)</u>
Net cash provided (used) by operating activities	<u>72,699,867</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of capital assets	<u>(1,056,432)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	7,286,016
Proceeds from sales and maturities of investments	13,485,980
Loan principal received	1,323
Purchase of investments	(28,037,885)
Loan issued	<u>(3,326,984)</u>
Net cash provided (used) by investing activities	<u>(10,591,550)</u>

Net change in cash and cash equivalents	61,051,885
Cash and cash equivalents at beginning of year	<u>176,915,966</u>
Cash and cash equivalents at end of period	<u>\$ 237,967,851</u>

SUPPLEMENTAL CASH FLOW INFORMATION

Capital acquisitions included in accounts payable and other liabilities	\$ 359,515
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NONCASH INVESTING ACTIVITIES

Change in fair value of investments	\$ 2,594,448
Change in interest receivable	\$ (13,591)

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS

(Continued)

Seven Months Ended January 31, 2026

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

Operating income (loss)	\$ 62,964,727
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	834,891
Charitable contributions considered an operating activity for cash flow purposes only	(250,000)
(Increase) decrease in:	
Accounts receivable, net of allowance	(866,938)
Other receivables	2,442,849
Accrued revenue	4,211,670
Prepaid expenses	422,594
Deposits	5,599,065
Increase (decrease) in:	
Accrued cost of electricity	872,312
Accounts payable	193,218
Other accrued liabilities	284,182
User taxes due to other governments	(72,350)
Supplier security deposits	(3,936,353)
Net cash provided (used) by operating activities	<u>\$ 72,699,867</u>



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Sonoma Clean Power Authority

Management is responsible for the accompanying Budgetary Comparison Schedule for the Operating Fund of Sonoma Clean Power Authority (a California Joint Powers Authority) for the seven months ended January 31, 2026, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

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

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

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

Maher Accountancy

San Rafael, CA
March 5, 2026

**SONOMA CLEAN POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND
Seven Months Ended January 31, 2026**

	2025/26 YTD			2025/26 YTD		2025/26 Amended Budget	2025/26 Amended Budget	2025/26 Amended Budget Remaining
	Amended Budget	2025/26 YTD Actual	Amended Budget Variance (Under) Over	Actual / Amended Budget %	Budget %			
REVENUE AND OTHER SOURCES:								
Electricity (net of allowance) *	\$ 150,750,101	\$ 153,647,253	\$ 2,897,152	102%		\$ 228,694,000	\$ 75,046,747	
Evergreen Premium (net of allowance)	1,837,500	1,851,384	13,884	101%		3,150,000	1,298,616	
CEC Grant Proceeds	576,523	355,174	(221,349)	62%		863,000	507,826	
Investment returns	7,000,000	9,866,873	2,866,873	141%		12,000,000	2,133,127	
Total revenue and other sources	160,164,124	165,720,684	5,556,560	103%		244,707,000	78,986,316	
EXPENDITURES AND OTHER USES:								
CURRENT EXPENDITURES								
Cost of energy and scheduling	143,880,689	75,987,200	(67,893,489)	53%		234,986,000	158,998,800	
Data management	1,959,300	1,964,103	4,803	100%		3,359,000	1,394,897	
Service fees- PG&E	577,500	580,691	3,191	101%		990,000	409,309	
Personnel	7,278,439	7,073,359	(205,080)	97%		12,781,000	5,707,641	
Marketing & communications	2,633,604	1,817,636	(815,968)	69%		4,415,000	2,597,364	
Customer service	153,250	110,925	(42,325)	72%		220,000	109,075	
General and administration	1,365,099	1,154,356	(210,743)	85%		2,309,000	1,154,644	
Legal	306,250	310,921	4,671	102%		525,000	214,079	
Regulatory and compliance	210,000	84,285	(125,715)	40%		360,000	275,715	
Accounting	219,050	214,200	(4,850)	98%		340,000	125,800	
Legislative	128,333	127,000	(1,333)	99%		220,000	93,000	
Other consultants	404,525	321,718	(82,807)	80%		535,000	213,282	
Industry memberships and dues	518,462	582,949	64,487	112%		888,000	305,051	
Program implementation	4,084,380	1,974,850	(2,109,530)	48%		6,481,000	4,506,150	
Total current expenditures	163,718,881	92,304,193	(71,414,688)	56%		268,409,000	176,104,807	
OTHER USES								
Capital outlay	4,258,667	1,392,947	(2,865,720)	33%		7,022,000	5,629,053	
Total expenditures, other uses	167,977,548	93,697,140	(74,280,408)	56%		275,431,000	181,733,860	
Net increase (decrease) in available fund balance	\$ (7,813,424)	\$ 72,023,544	\$ 79,836,968			\$ (30,724,000)	\$ (102,747,544)	

* Represents sales of approximately 1,233,000 MWh for 2025/26 YTD actual.

	Balance - as of June 30, 2025	Long-Term Targeted	% of Long-Term Target
RESERVES	\$ 324,252,000	\$ 267,909,000	121%
Reserves and Rate Stabilization Funds			

SONOMA CLEAN POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND (CONTINUED)
RECONCILIATION OF NET INCREASE IN AVAILABLE FUND BALANCE
TO CHANGE IN NET POSITION
Seven Months Ended January 31, 2026

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 72,023,544
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(834,891)
Add back capital asset acquisitions	1,392,947
Change in net position	<u>\$ 72,581,600</u>



Staff Report – Item 3

To: Sonoma Clean Power Authority Board of Directors

From: Geof Syphers, Chief Executive Officer
Rebecca Simonson, Director of Capital Projects & Engineering

Issue: Recommend the Board of Directors Approve and Delegate Authority to the Chief Executive Officer or His Designee to Execute a Legal Services Agreement with Sonoma County Counsel in the Amount Not-To-Exceed of \$100,000 through December 31, 2028

Date: April 2, 2026

Requested Action

Staff requests that the Board of Directors approve and delegate authority to the Chief Executive Officer or his designee to execute a Legal Services Agreement with Sonoma County Counsel with a not-to-exceed budget of \$100,000 through December 31, 2028.

Background

Sonoma Clean Power utilizes several firms for its legal service needs. This includes Sonoma County Counsel, which currently provides Special Counsel services to Sonoma Clean Power's Capital Projects and Engineering Department. SCP uses different counsels for SCP's other departments, attending Board of Directors meetings, providing advice on Brown Act and similar transparency laws, and for energy and other regulatory matters.

SCP previously entered into a Legal Services Agreement with Sonoma County Counsel in September of 2025 to provide specialized counsel on public works projects. This contract was within the CEO's authority to execute without Board Approval (<\$50,000 with a member agency of SCP).

Discussion

SCP Capital Projects & Engineering department has been working with Sonoma County Counsel since September 2025 to provide legal advice for specific public works projects.

SCP is pleased with the services provided to date and would like to enter a contract with an increased dollar value to enable Sonoma County Counsel to continue this work.

This agreement would remain terminable by SCP at its election with written notice.

Fiscal Impact

The total proposed not-to-exceed amount for the agreement is \$100,000 through December 31, 2028.

Agency Goals

This contract addresses SCP Board of Directors Goals for 2026, specifically Item 5: Complete the initial phase of at least 3 local investments with the purpose of generating revenues to lower ratepayer costs over time. This contract provides legal support for the development of local clean energy generation assets that will produce CAISO settlement revenues and reduce energy costs for SCP.

Community Advisory Committee Review

This contract was approved on consent at the March 19, 2026, Community Advisory Committee meeting.

Attachments

- Draft Legal Services Agreement with Sonoma County Counsel, available at [this link](#) or by request from the Clerk of the Board.



Staff Report – Item 04

To: Sonoma Clean Power Authority Board of Directors

From: Ryan Tracey, Chief Strategy Officer
Geof Syphers, Chief Executive Officer
Miles Horton, Legislative Policy & Community Engagement Manager
Claudia Sisomphou, Director of Community & Governmental Relations

Issue: Receive Geothermal Opportunity Zone Update

Date: April 2, 2026

Background

The Geothermal Opportunity Zone (GeoZone) is SCP's initiative to secure affordable, reliable clean energy for our customers by building 600 megawatts of new geothermal power capacity in Sonoma and Mendocino Counties. This will eventually enable SCP to phase out its dependence on natural gas power plants for reliability. The Community Advisory Committee (Committee) meetings are a regularly scheduled public forum for the community to receive updates and provide input on the GeoZone. The updates provided to the Committee each month, and minutes from any discussion are posted on SCP's website at <https://sonomacleanpower.org/geozone-public-updates>. Staff incorporate any feedback received from the Committee presentation into the monthly updates to the Board of Directors. Additional background on the GeoZone can be found on the GeoZone webpage at <https://sonomacleanpower.org/geozone>.

Partner Updates

Following the Board of Directors' approval of the proposed guidelines for negotiating bi-lateral public-private partnership agreements with new GeoZone partners, staff have begun meeting with prospective partners. Staff will return to the Committee and Board to review and approve any resulting agreements.

As previously shared, SCP's GeoZone partner Eavor reached the important milestone of commissioning its first commercial closed-loop system in Geretsried, Germany at the end of 2025. Eavor has shared that performance thus far at Geretsried is aligned with the project's thermodynamic modeling. With Geretsried online, SCP anticipates a more focused effort with Eavor on locating potential sites for its GeoZone project.

Department of Energy Funding Opportunity

On February 25, the Department of Energy (DOE) announced \$171.5 million in funding to support geothermal development ([link to announcement](#)). The funding opportunity includes two topic areas open for applications: \$100 million for early commercial-scale field tests for enhanced geothermal systems (EGS) and \$71.5 million for exploration drilling to characterize next-generation and hydrothermal opportunities. The funding for exploration drilling is well-aligned with SCP's own proposal to seek state funding for drilling that can unlock next-generation geothermal opportunities.

The funding opportunity has a condensed application period – with full applications due April 30th. Staff are reviewing potential opportunities for SCP to support applications, especially those supporting development in SCP's region or California Community Power (CC Power) opportunities within the state—but are also conscious of the political headwinds a California project may face. Given that other neighboring states will likely benefit from DOE funding, SCP sees the state funding as especially important to maintain competitiveness.

Procurement Order and 2026-27 Transmission Plan

At the end of February, the California Public Utilities Commission (CPUC) voted out a decision ([link to decision](#)) ordering 6,000 megawatts of additional procurement by California load serving entities (LSEs), including SCP, by 2032. The CPUC stipulated that 1,500 MW must be from clean firm or long-duration energy storage resources. Although many LSEs may procure 8-hour battery storage to qualify as long-duration, SCP anticipates that the new procurement order will further incentivize geothermal procurement. This new order is on top of the 1,000 MW specifically ordered for clean firm in a prior CPUC decision and 1,000 MW that the Department of Water Resources will begin shopping for next year.

The same February CPUC decision identified the resource portfolios that will be used as the basis for the California Independent System Operator's (CAISO) 2026-27 Transmission Plan. The CPUC portfolios contain a record level of new geothermal development with 5,100 MW of total new development. Of that total, 418 MW are mapped to the Sonoma-Lake-Mendocino region. SCP was significantly engaged in the CPUC's process for developing the IRP portfolios and achieved the following important outcomes:

- The CPUC adopted a much more robust and expansive approach to handling “unaccounted for transmission plan deliverability,” which has been a key barrier to approving regional transmission upgrades. The CPUC's new guidance specifically asks CAISO to resolve this issue and reserves deliverability for geothermal development.
- The CPUC has explicitly asked CAISO to use its sensitivity portfolio for informing transmission planning decisions. The sensitivity portfolio contains 8,300 MW of

geothermal development.

- The CPUC remapped geothermal capacity originally located at the Malin intertie in Southern Oregon to the in-state substation Hilltop in Northeastern California. Mapping capacity at Hilltop provides a greater opportunity for in-state development in the Modoc Plateau.

CAISO has already kicked off its 2026-27 Transmission Plan, and SCP has started engagement in earnest to confirm that the outcomes above ultimately translate to the upgrades needed to facilitate interconnection of local resources.

Agency Goals

The GeoZone activities are directly related to the 2026 agency goal to continue progress on the GeoZone, which SCP sees as a key initiative in supporting deployment of technology that will be critical to meeting long-term climate goals, addressing affordability, and providing reliability while creating local economic opportunities.

Attachments

- None.

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Staff Report – Item 05

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 and Provide Feedback as Appropriate

Date: April 2, 2026

Construction Zone

The renovation of the office space at 421 E Street (next door to our parking lot) is completed, furniture has been installed, and we are waiting on final inspections before occupying the space. By the May Board meeting, we hope to be ready for a grand reveal to our Board!

Customer Participation Rates

COUNTY	TOT_DESC	Eligible	SCP	% Part.	% Opt Out
MENDOCINO	Total	38,344	30,579	79.7%	20.3%
	FORT BRAGG INC	4,111	3,477	84.6%	15.4%
	POINT ARENA INC	347	299	86.2%	13.8%
	UNINC MENDOCINO CO	31,134	24,621	79.1%	20.9%
	WILLITS INC	2,752	2,182	79.3%	20.7%
SONOMA	Total	233,576	206,411	88.4%	11.6%
	CLOVERDALE INC	3,995	3,334	83.5%	16.5%
	COTATI INC	3,940	3,549	90.1%	9.9%
	PETALUMA INC	27,911	24,918	89.3%	10.7%
	ROHNERT PARK INC	19,997	17,660	88.3%	11.7%
	SANTA ROSA INC	81,928	73,003	89.1%	10.9%
	SEBASTOPOL INC	4,517	4,123	91.3%	8.7%
	SONOMA INC	6,459	5,702	88.3%	11.7%
	UNINC SONOMA CO	74,584	65,147	87.3%	12.7%
	WINDSOR INC	10,245	8,975	87.6%	12.4%
Total	271,920	236,990	87.2%	12.8%	

COUNTY	TOT_DESC	SCP Meters	EverGreen	EverGreen %
MENDOCINO	Total	30,585	439	1.44%
	FORT BRAGG INC	3,477	46	1.32%
	POINT ARENA INC	299	31	10.37%
	UNINC MENDOCINO CO	24,627	344	1.40%
	WILLITS INC	2,182	18	0.82%
SONOMA	Total	206,411	4,107	1.99%
	CLOVERDALE INC	3,334	27	0.81%
	COTATI INC	3,549	129	3.63%
	PETALUMA INC	24,918	639	2.56%
	ROHNERT PARK INC	17,660	235	1.33%
	SANTA ROSA INC	73,004	1,223	1.68%
	SEBASTOPOL INC	4,123	180	4.37%
	SONOMA INC	5,702	103	1.81%
	UNINC SONOMA CO	65,146	1,307	2.01%
WINDSOR INC	8,975	264	2.94%	
Total		236,996	4,546	1.92%

741 4TH Street Purchase

The purchase of the office building that includes our Customer Center at 741 4th Street in Santa Rosa has been completed. SCP had been leasing suite 741 since November 2018. The building continuously houses four suites (733, 737, 739 and 741). Two of the vacant spaces (suites 733 and 737) are currently under lease and one small suite adjacent to our Customer Center (739) is vacant and in need of renovation. Any plans for construction or renovations to that vacant space would be brought before the Board for review.

Customer Energy Solutions Updates

Redwood Bike Share Partnership

Sonoma County Transportation and Climate Authorities (SCTCA) received an \$826,000 grant from the Metropolitan Transportation Commission for a two-year electric bikeshare pilot. In support of micromobility, SCP sponsored the Redwood Bikeshare hub station at 4th St & E St (across from the SCP Customer Center) through a two-year agreement that started in May 2025. As a sponsor, Sonoma Clean Power helps promote the e-bikes and receives free ride passes.

The SCP-sponsored hub has generated 660 one-way trips (20% of all Santa Rosa bikeshare activity), with 37% of trips at the hub connecting to the SMART Downtown Station during commute hours. These usage patterns suggest that employees adopt

e-bikes for commuting when infrastructure makes it practical and that e-bikes can help address first and last mile barriers for using public transit.

County-wide, the program has recorded 11,500+ trips since October 2024 with 3,000 unique riders. More than 60% of all trips connect to SMART stations, and monthly members average 14.5 trips per user, indicating regular commuter adoption. Additional participation and performance data, as well as program continuation will be reviewed at a SCTCA board meeting this spring.

CALeVIP Final Results

From 2020 to 2025, Sonoma Clean Power partnered with the California Energy Commission and the Northern Sonoma County Air Pollution Control District through the California Electric Vehicle Infrastructure Program (CALeVIP) to provide rebates for installing public Level 2 and DC fast chargers. Over the five-year program, 225 chargers were installed across the region (196 Level 2 connectors and 29 DC fast chargers) with 29% of completed site funding directed to disadvantaged or low-income communities.

In June 2022, SCP launched a complementary initiative, Fast Charge for All, offering up to \$80,000 for fast-charging stations serving coastal and low-income residents. Drawing from wait-listed CALeVIP applicants who met rural or low-income siting criteria, the program delivered two completed sites in Fort Bragg and Bodega Bay, with nine fast chargers now serving those communities.

In total, \$3,300,000 was provided in the SCP service territory through CALeVIP.

SCP Home Thermostat Upgrade Now Available

A new customer offer, SCP Home Thermostat Upgrade, is now available as of March 16, 2026. Customers enrolled in CARE or FERA bill discount programs can apply to receive a no-cost smart thermostat installation. During installation, the thermostat is enrolled in SCP's GridSavvy Rewards, which provides a \$5/month bill credit in exchange for small, automatic temperature adjustments during the hottest summer days when electricity use is highest.

This program aims to complete 1,000 installations, reducing peak demand while expanding access to smart thermostats. Funding is provided through the California Energy Commission GridSavvy Virtual Power Plant (GridSavvy VPP) grant received in 2025.

For more information, including complete eligibility requirements, please visit www.sonomacleanpower.org/scp-home-thermostat-upgrade. We look forward to providing updates on participation as the program progresses.

Upcoming Meetings

- Community Advisory Committee – April 16, 2026
- Board of Directors – May 7, 2026
- Community Advisory Committee – May 21, 2026
- Board of Directors – June 4, 2026

Agency Goals

This Internal Operations update, which is provided monthly to the Board of Directors and Community Advisory Committee provides background on how all SCP staff support several Agency Goals, such as taking actions to protect customers, working on outreach to underrepresented communities, and maintaining a strong credit rating. We work to support our Board, Committee and all internal staff in their various work.



Staff Report – Item 06

To: Sonoma Clean Power Authority Board of Directors

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

Issue: Receive Legislative and Regulatory Updates, Approve Legislative Positions on AB 2313 (Berman) Home Electrification and SB 905 (Becker) Energy Affordability, and Provide Direction on Other Bills as Appropriate

Date: April 2, 2026

Requested Action

Receive legislative and regulatory updates and provide feedback as appropriate.

Regulatory Updates

CalCCA Advocates that CCA Customers Deserve Value for Utility Costs Imposed on Them

On March 23rd, CalCCA submitted Rebuttal Testimony in Track 2 of the Power Charge Indifference Adjustment (PCIA) proceeding. This Track is evaluating a single but important topic: how customers who departed IOU service in 2019 or later should be credited for Renewable Energy Credits (RECs) that were retained for future use by the utility. The IOUs argue that despite CCA customers being charged for 100% of their share of those RECs, customers have forfeited their claim on the value by joining a CCA and/or the value is zero and/or Commission precedent precludes this and/or crediting the customers would be too difficult to implement.

As background, PCIA is a charge that for-profit utilities in California are allowed to place on all customers within their distribution territory. This means all customers in PG&E's territory, regardless of whether they buy generation from PG&E, a for-profit energy provider, or a CCA, will be charged this fee. The IOUs are permitted to charge this fee to prevent them from suffering any unavoidable losses on long-term contracts they signed which are worth less than the contract cost. The PCIA was a provision in AB 117

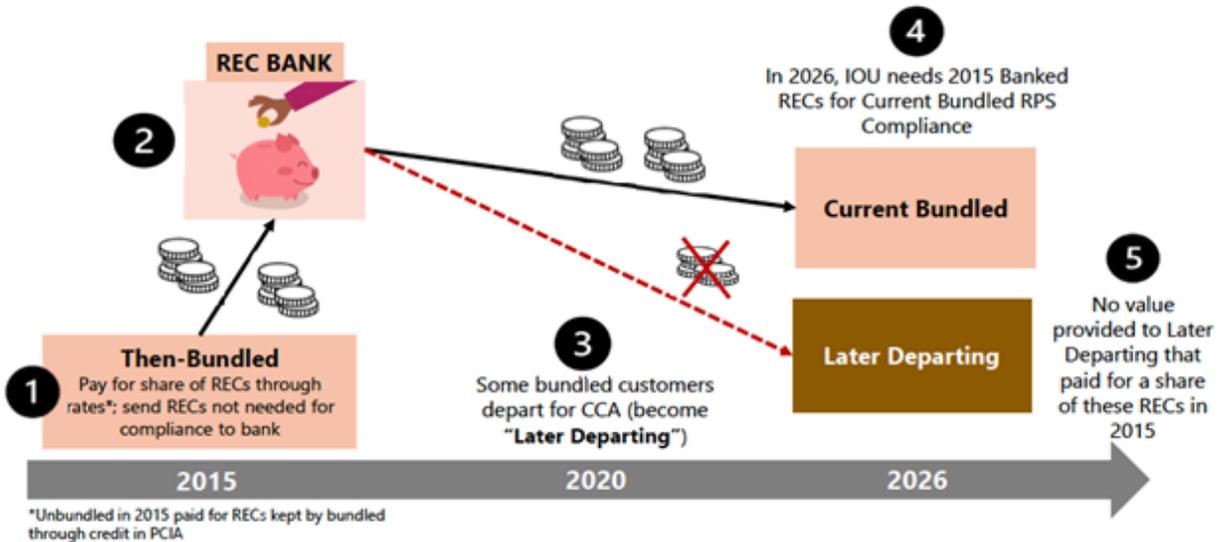
(Migden, 2001), which created the community choice aggregation option. The stated intent is to ensure “indifference”, that is, to protect any group of customers – CCA or utility – from being economically harmed by the other. However, the implementation of this complex and opaque fee which can cost over 1 billion dollars in bad years remains a source of controversy.

PG&E’s “bundled” customers are charged for the utility’s total costs and receive generation service in return. CCA customers, however, don’t receive any of the energy or other attributes from the utility portfolio they pay PCIA towards. Instead, they receive a financial credit for the value of those utility resources they’re being charged for but not using. The value granted to CCA customers changes every year based on observed market prices for various attributes, including RECs. So, when market prices are high, PG&E charges a lower PCIA fee on CCA customers. When market prices are low, PG&E charges a higher PCIA fee on CCA customers.

The value of RECs and time in which they are used for compliance are the underlying issues in Track 2. All load-serving entities in California are required to provide a certain percentage of renewable energy to meet Renewable Portfolio Standard requirements. Failure to do so can result in multi-million-dollar financial penalties. RECs are the required instrument to demonstrate compliance – each one representing a megawatt hour of renewable energy. As most renewable facilities generate an amount of energy that varies with hours of sunshine or amount of wind, compliance is structured over a multi-year period. If a load serving entity generates more RECs than needed due to an especially sunny year or lower overall energy demand than expected, they can store those RECs in a bank for future use. PG&E’s declining load over the past decade as customers left to join CCAs created a large excess of RECs, the utility no longer needed for compliance and instead put in the bank. Beginning in 2025, they began withdrawing from the bank but *only* provided those RECs to their bundled generation customers. Thus, customers who departed PG&E’s service after 2019 – when the PCIA calculation was modified – have been charged for the cost to generate RECs but receive no benefit. Following protests by CCA representatives over this inequitable use of the bank, the CPUC opened a proceeding to evaluate how these RECs should be allocated and valued.

The CalCCA graphic below depicts the scenario:

Pre-2019 Banked REC Cost Shift to 2026 Bundled Customers



The majority of Sonoma Clean Power’s customers who departed from PG&E service in either 2014 or 2017, prior to the broad PCIA revision implemented in 2019. This means the banked REC issue at hand in Track 2 does not pose a significant impact on SCP’s bottom line. SCP staff, however, will continue to contribute to CalCCA’s advocacy on this topic as it is financially impactful to our sister CCAs and creates a critical precedent on customer equity.

Following the submittal of Rebuttal Testimony, CPUC staff may introduce a proposed solution for consideration by parties and the assigned Commissioners. Evidentiary hearings are scheduled to be held April 28th, with Briefings due in May-June and a Proposed Decision estimated by July 31st.

CPUC Adopts Decision Requiring New Resource Procurement

On February 26th, the CPUC approved a Decision requiring all load serving entities (LSEs) to procure additional resources between 2029-2032. Two days prior to the vote, the assigned judge issued a suite of changes to the proposal she’d issued in January.

The Decision requires an additional 2,000 MWs of capacity to come online in 2030, 2031, and 2032 – for a statewide total of 6,000 MW. Sonoma Clean Power’s proposed share of the total requirement, which is based on our territory’s share of electric load, is 23 MW in 2030 and 45 MW in 2032 for a total of 68 MW. A new stipulation in the Decision is that at least one quarter of the 6,000 MW total procurement must come from either:

- 1) Clean firm resources which have a capacity factor of at least 80 percent and/or
- 2) Long-duration storage resources which are able to discharge for at least 8 hours

Additionally, the Decision now directs the California Independent System Operator to plan transmission around 750 MW of new geothermal resources in Northern Nevada – instead of in California. The California Independent System Operator is directed to study the required transmission infrastructure to import capacity between Nevada and the Malin substation in California. The practical result of this is that hundreds of millions of dollars in economic development and local environmental benefit will be exported to Nevada but paid for by Californians.

The proposal did not come as a surprise. It followed a Ruling last September seeking input from stakeholders on the need for additional resources. CalCCA submitted a response on behalf of all CCAs and advocated that if CCAs were already exceeding procurement requirements, that excess capacity should be eligible to count towards the requirements in this order. In addition, CalCCA recommended that any procurement order start with 4,000 MW and re-evaluate the need for additional resources in the future.

Sonoma Clean Power staff joined CalCCA in meeting with 4 Commission Offices and highlighted the negative impacts procurement orders have on market prices and, correspondingly, customer bills. While the Decision did not adopt the lower 4,000 MW procurement amount, it did state that the intent is not to require procurement at any cost and provided a framework for LSEs to show evidence that they put forward a good faith effort but were unable to find reasonable prices in response to solicitations.

Importantly, it also specified that any procurement in excess of previous orders would be counted as eligible to meet the capacity targets in the instant order. However, existing procurement would have to match the required online dates as well as the new provision that a quarter of the resources come from clean firm or long duration storage.

Existing legislation requires that all load serving entities provide a minimum of 90% clean electricity by 2035.

Legislative Updates

Sonoma Clean Power staff are continuing to work on our four sponsored legislative efforts this year:

- Another attempt to exempt geothermal exploration wells meeting a high standard of environmental, labor, and tribal resource and cultural protections from review under the California Environmental Quality Act. Federal policy already exempts these types of wells from environmental review under the National Environmental

Policy Act, putting California at a significant competitive disadvantage. This bill would be similar to AB 527, which was vetoed last year. Assemblymember Diane Papan has introduced AB 2234 as a placeholder to move this idea forward.

- Securing \$40 million in state funding, possibly through the Greenhouse Gas Reduction Fund, for new geothermal exploration wells in areas of California that have high potential for next-generation geothermal development, including Sonoma and Mendocino Counties. The goal would be to develop better geologic data for these areas and lower the risk of future geothermal projects, similar to how the federal government's "Utah FORGE" project galvanized new development in that region.
- AB 2111 (Papan), which aims to revamp the transmission planning process in California to produce a more flexible, adaptable system that can lower ratepayer costs over the long term and allow faster interconnection of new renewable energy resources. This is based off the research that SCP and Peninsula Clean Energy sponsored through Princeton University's ZERO Lab.
- AB 2369 (Rogers), which seeks to allow resources that are not "fully deliverable" to interconnect and deliver resource adequacy value to the grid. As with AB 2111, this bill would allow California to construct a significantly larger amount of clean energy resources much faster than what is possible today.

Both AB 2111 and AB 2369 are co-sponsored by the Abundance Network. AB 2111 is also co-sponsored by Peninsula Clean Energy.

Staff would like to seek the Board's support for two other measures, as well. Due to timing of introduction, there was not an opportunity to seek input from the Community Advisory Committee on these bills:

- AB 2313 (Berman): Would grant homeowners a new option to electrify their homes and remove natural gas appliances. When the gas utility needs to replace the line connecting to that home, this bill would grant the homeowner the option to permanently waive their right to gas service and receive a rebate valued

roughly at the cost of the line replacement to put toward home electrification and new appliances.

- SB 905 (Becker): Makes a variety of sweeping changes to utilities law aimed at lowering customer costs over the long term (see below).
- Please see attached fact sheets on both bills, below, for more detail.

Agency Goals

This item aligns with several agency goals. The achievement of Goals 3 & 4 (reducing reliance on natural gas power, including through development of “clean firm” power sources like geothermal as part of our GeoZone effort) is heavily reliant on statutory changes that make it more straightforward and cost-effective to build new geothermal power plants in California. Goal 10 (continuing to develop Sonoma Clean Power’s leadership on transmission planning in a manner that advances ratepayer affordability and climate progress) will also be served by advancing AB 2111 and AB 2369 in 2026.

Community Advisory Committee Review

Not applicable.

Attachments

- Attachment 1 - AB 2313 fact sheet, available at [this link](#) or by request of the Clerk of the Board
- Attachment 2 - SB 905 fact sheet, available at [this link](#) or by request of the Clerk of the Board



Staff Report – Item 07

To: Sonoma Clean Power Authority Board of Directors

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

Issue: Review and Provide Feedback on the Draft Annual Budget for Fiscal Year 2026-2027

Date: April 2, 2026

Recommendation

Review and provide feedback on the Draft Fiscal Year 2026-2027 (FY 2026/27) Annual Budget.

Summary

Staff present a draft budget for FY 2026/27 which runs from July 1, 2026, through June 30, 2027, that:

- Plans for SCP's next rate change on or about February 1, 2027
- Aims for SCP customer bills to stay within 3% of PG&E bundled customer total electric bills through December 31, 2026 (subject to no surprises)
- Returns a projected \$46.7 million of Rate Stabilization Fund deferred revenues to ratepayers

Background

Staff present a budget for FY 2026/27 that continues to fulfill SCP's adopted goals for providing electricity from very low greenhouse gas sources, investing in renewables, operating the Customer Center, utilizing the local investment fund, and delivering a broad set of customer services and incentives.

From the outset, SCP has held a high standard for its operations, usually far in advance of State requirements. One such groundbreaking offering is our EverGreen service, first introduced in 2014. EverGreen was the nation's first electric supply that provides 100%

local renewable energy 24/7 without any reliance on fossil energy sources for any purpose.

Rate History and Financial Planning

From its inception until early 2020, SCP consistently delivered lower overall bills to customers every year. This was possible because SCP set its electric generation rates significantly below PG&E's, more than offsetting the Power Charge Indifference Adjustment (PCIA) fee charged to SCP customers. These competitive rates resulted in tens of millions of dollars in cumulative customer savings beginning in 2014, while also allowing SCP to build healthy financial reserves over time. All comparisons to PG&E are presented as total electric bill premium or savings.

From May 2020 through March 2022, SCP faced market conditions and PCIA dynamics that required temporarily setting rates that resulted in customer bills 5% above PG&E's bundled service. Even during this period, SCP maintained sound financial practices and ensured that rates remained stable and predictable. SCP eliminated this premium in April 2022, and following the February 1, 2023, rate adjustment, SCP targeted approximately 5% savings on total customer bills. Between February 2023 and September 1, 2025, SCP achieved customer savings between 3% and 7% below PG&E, while continuing to add to reserves when conditions allowed.

Throughout 2025, SCP anticipated that PG&E would reduce its generation rates and substantially increase the PCIA on January 1, 2026. When PG&E later published its January 2026 rates, those expectations were confirmed. Staff determined that maintaining competitive rates in 2026 would require SCP to reduce its own rates significantly, a move that would necessitate a draw down SCP's long-term financial reserves. Recognizing this coming pressure, SCP took the proactive step in September 2025 by lowering its savings target to approximately 0.5% below PG&E. This deliberate adjustment generated additional revenue and strengthened reserves ahead of the expected 2026–2027 cost impacts and the consequent draw down of the Rate Stabilization fund.

On January 1, 2026, SCP implemented a planned rate reduction based on PG&E's expected January rates, using the reserves built up over prior years to shield customers from the full impact of rising PCIA and shifting market conditions. When PG&E's finalized January 2026 rates differed from the forecast values used by SCP, a further rate correction was necessary. SCP therefore updated its rates again on February 1, 2026. Beginning in February 2026, SCP targeted customer bills approximately 3% above PG&E's bundled bills—reflecting both PG&E's lower generation rates and PCIA increase

and the planned, responsible drawdown of SCP's reserves to maintain stable service and preserve long-term financial health.

This approach—strategically building reserves in favorable years and drawing them down during periods of volatility—is central to SCP's mission of providing long-term value and rate stability. Reserves act as a financial buffer, allowing SCP to smooth sudden cost changes, support predictable customer pricing, and maintain program stability even when market or regulatory conditions shift significantly.

It is important to note that the PCIA remains difficult to forecast. Its value depends on several factors: PG&E's internal decisions regarding market participation (such as whether to sell excess resource adequacy), frequent regulatory changes to the PCIA methodology, and volatility in natural gas driven energy and capacity markets. Because these drivers can change rapidly and significantly, staff will continue to provide routine updates to the Committee and Board as new information becomes available.

Rate Setting

This item is limited to SCP's annual budget. But since rate setting and budgeting are closely linked, it is important to understand how SCP sets rates.

Step 1. Revenue Requirement: Identify the Revenue Requirement for SCP to provide its essential services and meet its Board's adopted plans and policies. The budgeting process is used to identify the Revenue Requirement or the cost of providing service.

Step 2. Rate setting: Rate setting is generally done in November or December for implementation on or about February 1 of the following year. This delay allows any necessary mid-year correction to the Revenue Requirement before setting rates. Importantly, the allocation of the Revenue Requirement is made by setting a particular percentage premium or savings on total electric charges relative to the most recently authorized CPUC rates for PG&E, then adjusting that premium or savings until SCP's forecast revenues match the agency's Revenue Requirement.

At this time, staff does not expect to recommend a rate adjustment until February 1, 2027. However, SCP's rates are always subject to change as forecasts of revenues and expenses vary with actual results.

Budget Overview

The FY 2026/27 draft budget presented in this item seeks to:

- Procure a supply portfolio of electricity generation that meets the Board's adopted plans and policies.

- Emphasize customer incentives and education that support energy affordability and cut greenhouse gas emissions. Expand customer outreach through improved market research and listening to our various communities.
- Expand community education activities.
- Increase emphasis on ensuring all of SCP's communities know about and have access to incentives and education.
- Promote the Customer Center and further develop the Center into a valuable community resource.
- Continue to advocate for laws and regulations that lower costs, cut pollution, provide transparency, and protect customers.

Draft Budget

This draft budget is presented in the form that will be used for adoption in May and then is followed by supplemental information. The budget categories are intentionally general enough to allow some measure of staff discretion, without requiring frequent budget adjustments.

Community Advisory Committee

The Community Advisory Committee (Committee) reviewed the draft budget in March 2026 and does not currently recommend changes to the Board. There was brief discussion about SCP's EverGreen service and Rate Stabilization Fund forecasts beyond 2027. There was also a request for wholesale power costs per megawatt-hour (MWh) to be shared, which was added to the Cost of Energy and Scheduling section. Note that while the presentation to the Committee included the most current forecast figures for the FY 2026/27 Budget, the staff report did not for three of the line items. The draft budget below has been updated to be consistent with the figures that were presented to the Committee, reflecting the current forecast for Electricity Sales, Revenue from Rate Stabilization Fund, and Cost of Energy and Scheduling.

	Revision 2	DRAFT	
	Budget	Budget	Comments
	FY26-26	FY26-27	
REVENUES & OTHER SOURCES			
Electricity Sales ² (net of allowance)	\$ 221,379,000	\$ 193,575,000	SCP customers at rate parity with PG&Es bundled customers in early 2027
Revenue from (to) Rate Stabilization Fund	(38,478,000)	46,703,000	Utilizing a portion of deferred revenues from Rate Stabilization Fund
EverGreen Premium ² (net of allowance)	3,150,000	3,192,000	
CEC Grant Proceeds	863,000	2,133,000	Grants for Virtual Power Plant Approaches for Flexibility, Gas Transition, and Geothermal Study
Investment Returns	15,994,000	13,546,000	Lower interest rates and reserves
Total Revenues	202,908,000	259,149,000	
EXPENDITURES			
Product			
Cost of Energy & Scheduling ³	162,463,000	219,788,000	Higher market prices including winter energy, severe weather contingency, and no damages from project delays
Data Management	3,359,000	3,420,000	
Service Fees to PG&E	990,000	996,000	
Product Subtotal	166,812,000	224,204,000	
Personnel	12,781,000	14,009,000	See details in write-up
External Relations	4,415,000	3,883,000	Prior fiscal year included BOSS partnership
Customer Service	220,000	220,000	
General & Administration	2,309,000	2,715,000	Increased letter of credit fees for CPUC-required financial security
Other Professional Services			
Legal	525,000	545,000	
Regulatory & Compliance	360,000	360,000	
Accounting	340,000	362,000	
Legislative	220,000	220,000	
Other Consultants	535,000	953,000	Increase for Geothermal Study CEC grant that is fully offset by grant proceeds
Other Professional Services Subtotal	1,980,000	2,440,000	

	Revision 2	DRAFT	
	Budget	Budget	
	FY25-26	FY26-27	Comments
EXPENDITURES - continued			
Industry Memberships & Dues	888,000	1,114,000	Increased activity at California Community Power (CC Power)
Customer Energy Solutions ⁴	6,481,000	5,347,000	See details in write-up
Total Expenditures	195,886,000	253,932,000	
Revenues Less Expenditures	7,022,000	5,217,000	
OTHER USES			
Capital Outlay	7,022,000	5,217,000	Utilization of local investment fund and design services for several projects
Total Expenditures, Other Uses	202,908,000	259,149,000	
Net Increase/(Decrease) in Fund Balance	\$ -	\$ -	No change in Fund Balance due to revenue from Rate Stabilization Fund

Notes on the Draft Budget Table:

1. Revenues from electricity sales are net of the allowance for uncollectible accounts, estimated to be 2.1%.
2. The EverGreen premium covers the incremental cost of EverGreen power above the cost for CleanStart. The rest of the revenues for EverGreen customers appear in the Electricity Sales line item.
3. The Cost of Energy and Scheduling includes Net Energy Metering and Solar Billing Plan costs, ProFIT payments, California ISO fees and scheduling as well as all energy and capacity costs.
4. SCP's 0% interest customer loans, and the loan repayments, are treated as balance sheet items and are not on the income statement.

Further detail on each of the proposed budget categories follows.

Information Only - Supplemental to the Draft Budget

Revenues and Other Sources

The primary source of income is from the retail sale of electricity to CleanStart and EverGreen customers. Customers of both services provide all the Electricity Sales revenue. EverGreen currently costs 2.5 cents per kWh over the price of CleanStart and provides 100% renewable energy from sources in Sonoma and Mendocino Counties. The EverGreen premium pays for the purchase of local sources of renewable geothermal and solar and is not intended to produce surplus income.

The total sales estimate is based on 87% of eligible customers and load in SCP's service area participating in SCP. The net financial performance of SCP is not sensitive to small changes in the rate of participation because a majority of expenses are proportional to the load served. In other words, income and expenses generally tend to go up and down together.

PG&E is currently expected to change the PCIA fee that they charge to SCP customers on January 1, 2027. Correspondingly, staff anticipates that SCP will update rates on or about February 1, 2027, to provide stability and remain competitive with PG&E bundled customer bills.

Staff estimates uncollectable billings at 2.1%.

Expenditures

Product

Cost of Energy and Scheduling includes all the various services purchased from the power market through our suppliers. This includes energy, long term renewable power purchase agreements, ProFIT feed-in-tariff projects, capacity (resource adequacy), short term renewable and carbon free contracts (e.g. hydropower), scheduling services, California Independent System Operator (“CAISO”) fees, and other miscellaneous power market expenses.

SCP has entered into long and intermediate-term renewable and low carbon contracts with suppliers. SCP’s cost of energy is expected to increase in 2026 and again in 2027 due to several new projects coming online and projected increasing market prices of energy. Compared to recent years, SCP has a higher cash-flow exposure to the monthly fluctuations in energy market prices, but lower actual long-term financial exposure due to the delayed offsetting nature of the PCIA. The projected Cost of Energy and Scheduling for the FY 2026/27 Draft Budget is \$97 per MWh, up from \$76 per MWh for the FY 2025/26 Revised Budget.

SCP closed a renewable energy prepayment transaction in November 2024, which will help to offset higher power costs. It will save SCP’s ratepayers a total of \$47 million over the initial 7 ½ years of the transaction, including savings of over \$5 million in FY 2026/27.

Major amounts of SCP’s customer load are also served by about 300 MW of customer-owned rooftop solar arrays. Customer over-generation of rooftop solar also reduces a small amount of the load of other SCP customers through SCP’s Net Energy Metering and Solar Billing Plan programs. However, none of this production is reportable on SCP’s Power Content Label because it is treated as a load reduction rather than energy supply under California regulations.

Based on current rates of participation, the total payout amount for SCP’s Net Energy Metering and Solar Billing Plan solar customers is estimated to be about \$881,500 for the fiscal year.

The primary price risks are related to forecast error, changes in rates of customer participation, Public Safety Power Shutoffs (PSPS), shutoffs due to Enhanced Powerline Safety Settings (EPSS), variable generation output of solar and wind resources, generation curtailment risks, forward pricing of peak and off-peak energy, unprocured resource adequacy, and legislative and regulatory risks (e.g., PCIA fees).

Scheduling Coordinator services are provided by Northern California Power Agency. The charges for this service are included together with energy and resource adequacy in the

budget. After electric power is scheduled for delivery to customers and ultimately consumed by those customers, the actual electric consumption must be trued up against the forecasted and scheduled energy. This true up occurs through the CAISO settlement process, or “settlements.” CAISO settlements also entail addressing a number of other market and regulatory requirements. The impact on budgeting is that CAISO invoices and credits occur several months (and sometimes up to two years) following a given month of service.

Data Management includes a broad scope of services provided by contract through Sacramento Municipal Utility District (SMUD), including billing data validation, bill coordination with PG&E, billing management of special programs (e.g., Net Energy Metering, Solar Billing Plan, and ProFIT), billing technical support, customer relationship management software, CAISO data preparation, WREGIS data preparation, and many support functions related to data reporting.

Service Fees to PG&E consist of a charge of \$0.35 per account per month (including a \$0.21 per account service fee and a \$0.14 per account meter data management fee). There are also numerous small fees associated with data requests. The fees cover PG&E’s costs associated with additional data processing and bill coordination and are mandatory and regulated by the California Public Utilities Commission (CPUC).

Personnel

Personnel costs include direct salaries, benefits, workers compensation premiums, Social Security, and payroll taxes. Management compares SCP staff salaries and benefits with the marketplace in order to remain competitive for high quality and performing staff. The staffing budget includes adjustments for 4-5 additional positions throughout the fiscal year.

External Relations

In FY 2026/27, Sonoma Clean Power will continue prioritizing customer education, engagement, and brand awareness to ensure that our communities clearly understand who we are, what we offer, and how we partner with PG&E to deliver reliable service. Over the past several years, we have expanded outreach efforts to reach customers and community groups that are less familiar with SCP or the benefits of being an SCP customer. This work emphasizes meaningful engagement, so customers know not only that SCP exists, but how we operate, what services we provide, and what distinguishes SCP from PG&E.

SCP will continue developing and implementing targeted campaigns to promote our customer programs and rebates, with GridSavvy serving as a key initiative. Because

electric service and energy programs can be complex, our outreach will remain focused on making this information more accessible. This includes one-on-one education, partnerships with community-based organizations, and ongoing engagement with diverse customer segments to both understand community needs and help customers navigate their energy choices.

To further strengthen our understanding of customer perceptions and preferences, SCP will continue conducting formal market research through surveys, focus groups, and demographic analysis. Insights from this research will shape a new customer onboarding campaign aimed at increasing awareness of SCP's offerings, tailoring communications, and expanding participation in our programs and services.

SCP will also continue and gradually expand its investments in youth education and workforce development, with an emphasis on STEM, building trades, and clean energy career pathways. This includes support for Schools Rule Mendocino County, the North Coast Builders Exchange's North Bay Construction Corps, and ongoing partnerships with Sonoma Water, the Career Technical Education Foundation, and the LIME Foundation. These initiatives help equip young people with the skills needed to participate in the region's growing clean energy economy.

Throughout the fiscal year, SCP's marketing and outreach strategy will focus on strengthening public understanding of SCP's mission and the value we deliver to customers, communities, and the environment. This work will be carried out through data-informed marketing campaigns, strategic public and media relations, community engagement and sponsorships, service and volunteer activities, and ongoing two-way communication to ensure customer needs and concerns are heard and addressed.

A significant majority of SCP's Marketing, PR & Events spending supports local organizations and contractors—including printers, writers, graphic designers, radio stations, web developers, social media support, photographers, caterers, carpenters, and other service providers—ensuring these investments also benefit the local economy.

Customer Service

The customer service team works with customers via phone, email, walk-ins, and events which are the primary touchpoint for customers in the agency. The customer service team's budget includes confirmation notices, annual required notices, and customer appreciation.

Customer Noticing

There are several kinds of official notices SCP provides to its customers. In addition to enrollment rollouts, the following notices are e-mailed or physically mailed out to applicable customers with the following cadence:

- Move-in notice postcard (weekly)
- Move-in notice letter (weekly)
- EverGreen welcome letters (weekly)
- Net Energy Metering welcome (weekly)
- Solar Billing Plan welcome (weekly)
- Opt-out confirmation – immediate notice (weekly)
- Opt-out confirmation – 6-month notice (weekly)
- Help letter (monthly)
- Re-enrollment welcome letter (weekly)
- Opt-down to CleanStart (weekly)
- Annual cash out letters (annually)

The customer service budget also reflects two required mailings by the CPUC and CEC:

- California Public Utilities Commission's Joint Rate Mailer that compares SCP and PG&E's rates and power mixes (annually)
- California Energy Commission's Power Content Label that compares SCP and California's power mix (annually)

Finally, the customer appreciation budget is used to help commercial EverGreen customers gain attention for their leadership in switching to 100% local, renewable energy.

Other Professional Services

Legal

This covers attorney expenses for general governance plus power supply negotiations and any other legal issues that arise.

Regulatory & Compliance

This category includes technical research into CPUC rate cases, resource adequacy, PCIA and other key issues. It includes technical and legal consultants for compliance filing preparation, review, and filings.

Accounting

Accounting includes services from two providers. Maher Accountancy provides the day-to-day accounting for SCP, including generation of financial statements and consolidated reports. SCP also has an outside auditor review and opine on our financial statements each year.

Legislative

Staff retains a Sacramento legislative lobbyist to assist with tracking and advancing bills in the legislative session that affect SCP and the energy industry directly. The statewide CalCCA trade association continues to support SCP's tracking and participation in legislative work that affects CCAs across the state. Some limited federal and state lobbying on the GeoZone is also included. One change of note this year is SCP's retention of Nielsen Strategies to support our pursuit of leveraging external funds to enhance next-generation geothermal development in California.

Other Consultants

Other Consultants covers costs related to outside services needed for basic internal operations, such as: IT services/repairs, nighttime security for the Business Office building and the Customer Center, administration fees for our insurance benefits and retirement plans, consultants for mandatory training, and the collection agency SCP uses for past-due accounts.

Industry Memberships and Dues

The CalCCA trade association is an important entity for sharing the costs of legislative, regulatory, and analytic work. The association has been instrumental in improving SCP's effectiveness at the CPUC on regulatory matters including the PCIA, resource adequacy, and in the legislature on organizing and providing direction to lobbyists and requesting action.

SCP is a member of California Community Power (CC Power), the joint powers authority formed with other CCAs to jointly procure power. SCP is also a member of the American Public Power Association (APPA). This is a nationwide association of public power entities, with a membership category for CCAs nationwide. In 2024, SCP became a member of California Community Choice Financing Authority (CCCFA) to facilitate energy prepayment transactions that will enable SCP to deliver meaningful cost savings to customers over the long-term.

Customer Energy Solutions

The Customer Energy Solutions portfolio budget is less than the previous fiscal year due to a few programmatic improvements and changes:

1. SCP has secured two California Energy Commission grants that pair outside funding with SCP objectives.
 - a. Virtual Power Plant Approaches for Flexibility – SCP’s project “GridSavvy VPP” will expand automated smart devices in GridSavvy Rewards in low-income and disadvantaged communities (DACs) to increase demand-response capacity consistent with the Board of Director’s goal of 7 MW in 2026 and Integrated Resources Plan goal of 30 MW by 2035.
 - b. Paving the Way for California’s Gas Transition – SCP’s project “A Community-based Assessment of Energy Transition Barriers in Rural and Tribal Areas” will conduct multidisciplinary research to uncover the local challenges of electrifying homes and businesses, while minimizing costs to customers, improving grid reliability, and ensuring an equitable transition. The project team will be in close collaboration with the partner communities of Willits, Hopland and the Hopland Band of Pomo Indians, and Graton.
2. SCP discontinued two historical programs that met its objectives and provided valuable learning that informs new customer energy solutions.
 - a. California Electric Vehicle Infrastructure Program (CALeVIP) – From 2020 to 2025, SCP partnered with the California Energy Commission and the Northern Sonoma County Air Pollution Control District as CALeVIP to provide rebates for public Level 2 and DC fast charger installations. Over the five-year program, 225 chargers were installed across the region (196 Level 2 connectors and 29 DC fast chargers) with 29% of completed site funding directed to DACs or low-income communities.
 - b. Advanced Energy Build – From 2020 to 2024, Sonoma Clean Power offered incentives for the construction of all-electric homes in Sonoma and Mendocino Counties. In total, 549 units were incentivized, 98% of which were deed-restricted affordable. All reserved projects were completed by Dec 2025.

This transition positions SCP to pursue new high-impact offerings that directly support current customer needs, including the rollout of the SCP Home Thermostat Upgrade Program, new e-bike commuter grants, and expanded workplace EV charging rebates,

along with other evolving priorities identified in Community Needs Assessments and Board direction.

SCP will continue to offer programs that assist our customers with their energy-related needs. These will likely continue to include Energy Savings Boxes, DIY Energy & Water Toolkits, GridSavvy Rewards, Non-Profit EV Incentives, Electrification rebates, EV Daily Managed Charging, and Community Charge. For a complete list of SCP's offer and incentives, rationale, and performance metrics, reference the current [Strategic Action Plan](#).

Other Uses

Capital Outlay includes design services for the Ukiah Superfund Solar + Battery Project, design services for the commercial space adjacent to the Customer Center, new projects identified by the Capital Projects department, and equipment costing more than \$5,000.

Debt Service

SCP currently carries no debt. In 2025, SCP secured a \$100 million line of credit to further mitigate short-term variability in power costs and the consequent effect on customer rates.

Net Increase / (Decrease) in Available Fund Balance

Staff are planning for a net decrease in the available fund balance of \$46.7 million, which reflects the return of a portion of ratepayer collections from prior fiscal years that had been designated as deferred revenues in the Rate Stabilization Fund.

THREE-YEAR OUTLOOK

This three-year outlook is subject to significant modification as new information is available regarding PCIA and the market price of energy.

	Revision 2 Budget FY25-26	DRAFT Budget FY26-27	Forecast FY27-28	Forecast FY28-29	Forecast FY29-30
REVENUES & OTHER SOURCES					
Electricity Sales (net of allowance)	\$ 221,379,000	\$ 193,575,000	\$219,660,000	\$ 275,900,000	\$ 280,460,000
Revenue from (to) Rate Stabilization Fund	(38,478,000)	46,703,000	34,970,000	-	-
EverGreen Premium (net of allowance)	3,150,000	3,192,000	3,220,000	3,250,000	3,280,000
CEC Grant Proceeds	863,000	2,133,000	1,510,000	1,290,000	1,000,000
Investment Returns	15,994,000	13,546,000	11,330,000	8,400,000	7,730,000
Total Revenues	202,908,000	259,149,000	270,690,000	288,840,000	292,470,000
EXPENDITURES					
Product					
Cost of Energy & Scheduling	162,463,000	219,788,000	230,400,000	247,700,000	250,200,000
Data Management	3,359,000	3,420,000	3,450,000	3,480,000	3,510,000
Service Fees to PG&E	990,000	996,000	1,010,000	1,030,000	1,050,000
Product Subtotal	166,812,000	224,204,000	234,860,000	252,210,000	254,760,000
Personnel	12,781,000	14,009,000	14,990,000	15,890,000	16,840,000
External Relations	4,415,000	3,883,000	3,620,000	3,760,000	3,910,000
Customer Service	220,000	220,000	220,000	220,000	220,000
General & Administration	2,309,000	2,715,000	2,820,000	2,930,000	3,050,000
Other Professional Services					
Legal	525,000	545,000	560,000	580,000	600,000
Regulatory & Compliance	360,000	360,000	370,000	380,000	390,000
Accounting	340,000	362,000	370,000	380,000	390,000
Legislative	220,000	220,000	230,000	240,000	250,000
Other Consultants	535,000	953,000	900,000	920,000	640,000
Other Professional Services Subtotal	1,980,000	2,440,000	2,430,000	2,500,000	2,270,000
Industry Memberships & Dues	888,000	1,114,000	1,150,000	1,180,000	1,220,000
Customer Energy Solutions	6,481,000	5,347,000	5,400,000	5,450,000	5,500,000
Total Expenditures	195,886,000	253,932,000	265,490,000	284,140,000	287,770,000
Revenues Less Expenditures	7,022,000	5,217,000	5,200,000	4,700,000	4,700,000
OTHER USES					
Capital Outlay	7,022,000	5,217,000	5,200,000	4,700,000	4,700,000
Total Expenditures, Other Uses	202,908,000	259,149,000	270,690,000	288,840,000	292,470,000
Net Increase/(Decrease) in Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

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Staff Report – Item 08

To: Sonoma Clean Power Authority Board of Directors
From: Felicia Smith, Director of Customer Energy Solutions
Issue: Review Strategic Action Plan and Provide Direction as Appropriate
Date: April 2, 2026

Recommendation

Review the 2025-2026 Programs Strategic Action Plan and provide comments, feedback, and direction to staff.

Background

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

Steps from the Equity Framework built into the Plan include:

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

In 2023, SCP initiated Community Needs Assessments with residential, commercial, agricultural customers, and for transportation and mobility needs. Since the outcomes of the needs assessment are integral for strategic planning, the Plan was not updated until the results were received in 2024. Since then, the Plan has been updated on an annual basis, with feedback and direction provided by the Community Advisory Committee and Board of Directors.

Discussion

The customer programs Strategic Action Plan is included as Attachment 1 to this report. The Plan includes multiple elements:

1. SCP's methodology to incorporate equity and community needs into customer energy solutions, offers, and incentives.
2. Key focus areas that support SCP as an electric utility, mitigate climate change, and facilitate reliability and affordability.
3. Current customer offerings and associated metrics.
4. Next steps from Community Needs Assessment illustrates concepts and ideas that meet SCP's utility goals and customer input. Many of these concepts will be developed through a community-led decision-making process as detailed in Section 2 "About this Strategic Action Plan".

Fiscal Impact

No financial impacts related to this item. Budgeting for customer energy solutions, offers and incentives are accomplished through the annual budget process.

Agency Goals

The objectives and methodology for developing and prioritizing SCP's customer energy solutions, offers and incentives are consistent with the Board of Director's goal to advance equity by incorporating community feedback in program design, support implementation of building electrification policies through rebates and education and grow SCP's capacity to dispatch 7MW of customer load through expansion of load flexibility and demand response.

Community Advisory Committee Review

The Committee reviewed and provided positive feedback about the Plans structure, content, and usability. The Committee also recommended programmatic considerations such as marketing Energy Savings Boxes at senior centers and exploring e-bike commuter grants at public schools.

Attachments

- Attachment 1 – Draft Strategic Action Plan for Offers and Incentives, available at [this link](#) or by request to the Clerk of the Board.