AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, OCTOBER 1, 2026, 9:00 A.M.

EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 54953.8.3, MEMBERS OF THE BOARD OF DIRECTORS MAY PARTICIPATE IN THE OCTOBER 1, 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 54953.8.3. 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 August 6, 2026, Draft Board of Directors Meeting Minutes (Staff Recommendation: Approve) **pg. 5**
2. Adopt Resolution 2026-01 Delegating Investment Authority to the Treasurer (Staff Recommendation: Approve) **pg. 11**
3. Adopt Resolution 2026-02 Attesting to the Accuracy of Sonoma Clean Power Authority's 2025 Power Source Disclosure Annual Report (Staff Recommendation: Approve) **pg. 15**
4. Approve the Board of Directors Meeting Dates for the 2027 Calendar Year (Staff Recommendation: Approve) **pg. 21**

BOARD OF DIRECTORS REGULAR CALENDAR

5. Receive Internal Operations Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. 23**
6. Receive Monthly Financial Report (Staff Recommendation: Receive and File) **pg. 27**
7. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. 41**
8. Receive Legislative and Regulatory Updates, Approve Legislative Positions, and Provide Direction as Appropriate (Staff Recommendation: Approve) **pg. 47**
9. Approve and Delegate Authority to the Chief Executive Officer or His Designee to Execute an Agreement with Uplight, Inc. for Ongoing Demand Response (DR) Provider Services through December 31, 2029, with a Not-to-Exceed Amount of $2,594,831 (Staff Recommendation: Approve) **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

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DRAFT MEETING MINUTES
BOARD OF DIRECTORS MEETING
THURSDAY, AUGUST 6, 2026
9:00 A.M.

CALL TO ORDER

(9:02 a.m. - Video Time Stamp: 00:01:30)

Chair Barnacle called the meeting to order.

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

Staff present: Geof Syphers, Chief Executive Officer; Garth Salisbury, Chief Financial Officer and Treasurer; Stephanie Reynolds, Director of Internal Operations; Neal Reardon, Director of Policy; Miles Horton, Legislative Policy & Community Engagement Manager; Scott Salyer, Senior Program Manager, Decarbonization Strategy; Adam Jorge, Senior Decarbonization Policy Manager; Brant Arthur, Program Manager; Chris Golik, Senior Finance Manager; Karen Flores, Clerk of the Board; and Josh Nelson, Special Council

BOARD OF DIRECTORS CONSENT CALENDAR

(9:03 a.m. - Video Time Stamp: 00:02:26)

1. Approve July 2, 2026, Draft Board of Directors Meeting Minutes
2. Receive Monthly Financial Report Update
3. Receive Geothermal Opportunity Zone Update
4. Approve Changes to Financial Policy B1 – Chief Executive Officer Spending Authority to Authorize the Chief Executive Officer to Adopt, Amend, Interpret, and Administer a Staff Policy Governing the Purchase and Competitive Sourcing of Non-Power Goods and Services

   Public Comment: None

   Motion to approve August 6, 2026, Board of Directors Consent Calendar by Director Farrar-Rivas

Second: Stapp

Motion passed by roll call vote

AYES: Laskey, Lemus, Barnacle, Elward, Stapp, Farrar-Rivas, Potter, Haschak

ABSENT: Albin-Smith, Carter, Hopkins

BOARD OF DIRECTORS REGULAR CALENDAR

5. Receive Internal Operations Report and Provide Direction as Appropriate

   (9:04 a.m. - Video Time Stamp: 00:04:13)

   Stephanie Reynolds, Director of Internal Operations, showed photos of the Redemeyer Solar Project ribbon cutting which took place on June 12th as well as spoke about upcoming events being hosted at the Sonoma Clean Power (SCP) Customer Center.

   Public Comment: None

6. Receive Presentation on Evaluating Neighborhood-Scale Decarbonization in a Disadvantaged Community through Energy System Electrification

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

   Adam Jorge, Senior Decarbonization Policy Manager, along with Scott Salyer, Senior Program Manager, Decarbonization Strategy, introduced the research team from UC Santa Barbara, who presented their findings from the study, "Evaluating Neighborhood-Scale Decarbonization in a Disadvantaged Community through Energy System Electrification."

   Public Comment: None

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

   (9:53 a.m. - Video Time Stamp: 00:52:45)

   Neal Reardon, Director of Policy, provided an update on the Power Charge Indifference Adjustment (PCIA) fee, decision from the California Supreme Court is expected in mid-October. Adam Jorge, Senior Decarbonization Policy Manager, gave an update on SB 1221. Miles Horton, Legislative Policy & Community Engagement Manger, reported progress on SCP's legislative priorities, including California FORGE funding and other pending measures currently moving through the legislative and gubernatorial review process. Final decisions are anticipated by October 1.

Public Comment: None

8. Approve and Delegate Authority to the Chief Executive Officer or His Designee to Execute a Three-Year Agreement with Ecology Action in the Amount Not-to-Exceed of $766,000 for EV Charging Technical Assistance Services

   (10:13 a.m. - Video Time Stamp: 01:12:20)

   Brant Arthur, Program Manager, presented the results of SCP's workplace EV charging research project, which found that workplace charging significantly increased daytime EV charging and helped expand charging access for employees. Mr. Arthur also recommended approval of a three-year contract with Ecology Action to provide technical assistance and support the continued expansion of workplace EV charging installations.

   Public Comment: None

   Motion to Approve and Delegate Authority to the Chief Executive Officer or His Designee to Execute a Three-Year Agreement with Ecology Action in the Amount Not-to-Exceed of $766,000 for EV Charging Technical Assistance Services by Director Haschak

   Second: Elward

   Motion passed by roll call vote

   AYES: Laskey, Lemus, Barnacle, Elward, Stapp, Farrar-Rivas, Potter, Haschak

   ABSENT: Albin-Smith, Carter, Hopkins

9. Approve Proposed Generation Rate Reductions Effective September 1, 2026

   (10:27 a.m. - Video Time Stamp: 01:26:40)

   Chris Golik, Senior Finance Manager, presented a proposal to reduce SCP's rates effective September 1, bringing total customer bills in line with PG&E bills.

   Public Comment: None

   Motion to Approve Proposed Generation Rate Reductions Effective September 1, 2026 by Director Stapp

   Second: Lemus

Motion passed by roll call vote

AYES: Laskey, Lemus, Barnacle, Elward, Stapp, Farrar-Rivas, Potter, Haschak

ABSENT: Albin-Smith, Carter, Hopkins

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

(10:31 a.m. - Video Time Stamp: 01:31:18)

Directors Farrar-Rivas, Haschak, Potter, Stapp, and Lemus shared announcements regarding events and updates happening in their cities, towns, and counties.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(10:37 a.m. - Video Time Stamp: 01:36:22)

Public Comment: None

CLOSED SESSION ITEMS

(10:38 a.m. – Video Time Stamp: 1:36:43)

10. Public Employee Performance Evaluation – Chief Executive Officer

11. Conference with Labor Negotiations – Agency Designated Representatives: Chair Barnacle and Vice Chair Elward; Unrepresented Employee: Chief Executive Officer

    Josh Nelson, Special Counsel, stated that there was no reportable action on closed session.

RECONVENE TO OPEN SESSION

(11:39 a.m. – Video Time Stamp: 1:37:50)

12. Consider and Approve Annual Contract Goals for Chief Executive Officer and Potential Salary Adjustment

    The Board approved CEO Syphers' annual contract goals, including revisions to the proposed goals by removing a completed goal and increasing the target for new GeoZone partners from one to two. The Board also approved 2% cost of living adjustment and a 3% merit increase for CEO Syphers.

    Public Comment: None

Motion to Consider and Approve Annual Contract Goals for Chief Executive Officer and Potential Salary Adjustment by Chair Barnacle

Second: Stapp

Motion passed by roll call vote

AYES: Laskey, Lemus, Barnacle, Elward, Stapp, Farrar-Rivas, Potter, Haschak

ABSENT: Albin-Smith, Carter, Hopkins

ADJOURN

(11:41 a.m. - Video Time Stamp: 01:40:05)

The meeting was adjourned by unanimous consent.

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Staff Report – Item 02

To: Sonoma Clean Power Authority Board of Directors

From: Geof Syphers, Chief Executive Officer
Garth Salisbury, Chief Financial Officer & Treasurer

Issue: Approve Resolution 2026-01 Delegating Investment Authority to the Treasurer

Date: October 1, 2026

Recommendation

Staff request the Board of Directors adopt proposed Resolution No. 2026-01 (Attachment 1) delegating investment and similar authority to Garth Salisbury, Chief Financial Officer, as the Treasurer of Sonoma Clean Power (SCP) in accordance with Government Code 53607.

Background

When SCP was formed, its Joint Powers Agreement (JPA) named the Sonoma County Auditor-Controller-Treasurer-Tax Collector as the Treasurer for SCP. Per Section 4.9.3 of SCP's JPA, "The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time." On October 3, 2024, the Board passed Resolution 2024-01 naming Garth Salisbury Treasurer of SCP.

Discussion

Garth Salisbury, SCP's Current Chief Financial Officer, has served in the role of Treasurer since October 2024. As Treasurer, Garth has overseen the cash management of the organization and the investments of SCP's reserves. This includes amending and updating SCP's Investment Policy to require more diversification of investments, eliminating more risky investment categories and hiring a professional investment advisor to manage SCP's 3-5 year fixed income investment portfolio.

Pursuant to Government Code Section 53607, Board may delegate the authority to the Treasurer to invest or to reinvest funds of the Authority, or to sell or exchange securities so purchased. This delegation must be made on an annual basis. This resolution would delegate this authority for another year through October of 2027.

Attachments

- Attachment 1 – Draft Resolution No. 2026-01 Delegating Investment Authority to the Treasurer

[NOT YET ADOPTED]

RESOLUTION NO. 2026-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA CLEAN POWER AUTHORITY DELEGATING INVESTMENT AUTHORITY TO THE TREASURER

WHEREAS, Sonoma Clean Power Authority is a joint powers authority organized under the Joint Exercise of Powers Act (Government Code Section 6500 et seq.); and

WHEREAS, the Board of Directors ("Board") of the Sonoma Clean Power Authority ("Authority"), pursuant to Government Code Section 6505.6 and Section 4.9.3 of the Authority's Joint Power Agreement, as amended, ("JPA"), may appoint one of its officers or employees to the position of Treasurer, and such person or persons shall comply with the duties and responsibilities of the office or officers as set forth in subdivisions (a) to (d), inclusive, of Government Code Section 6505.5; and

WHEREAS, that the Board previously appointed Garth Salisbury, the Chief Financial Officer of the Authority, as Treasurer; and

WHEREAS, Government Code section 53607 allows the Board to delegate authority to the Treasurer to invest or to reinvest funds of the Authority, or to sell or exchange securities so purchased on an annual basis; and

WHEREAS, the Board wishes to make this delegation.

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

Section 1. Recitals. That the foregoing recitals are true and correct and a substantive part of this Resolution.

Section 2. Surplus Funds. Pursuant to Government Code section 53607, the Board delegates authority to the Treasurer to invest or to reinvest funds of the Authority and to sell or exchange securities so purchased from such funds. The Treasurer shall report such actions to the Board as required by law.

Section 3. Term. This Resolution shall remain in full force and effect until rescinded by the Board by resolution.

Section 4. Certification. The Board Clerk shall certify the adoption of this Resolution.

DULY ADOPTED this 1st day of October, 2026

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 Stapp			
Sebastopol	Director Carter			
Sonoma	Director Farrar-Rivas			
Windsor	Director Potter			
County of Mendocino	Director Haschak			
County of Sonoma	Director Hopkins			

In alphabetical order by jurisdiction

____
Brian Barnacle Chair, Sonoma Clean Power Authority

Authority
Attest:

____
Karen Flores, Clerk of the Board

Staff Report – Item 03

To: Sonoma Clean Power Authority Board of Directors

From: Darin Bartow, Compliance Manager
Garth Salisbury, Chief Financial Officer & Treasurer

Issue: Adopt Resolution 2026-02 Attesting to the Accuracy of Sonoma Clean Power Authority's 2025 Power Source Disclosure Annual Report

Date: October 1, 2026

Recommendation

Staff request that the Sonoma Clean Power Authority (SCP) Board of Directors (Board) adopt a resolution approving the 2025 Power Source Disclosure Annual Report and attest to their veracity. The Resolution is attached to this staff report as Attachment 1, the 2025 Power Source Disclosure (PSD) Annual Report is attached as Exhibit 1.

Background

The California Public Utilities Code requires all retail sellers of electric energy, including SCP, to disclose "accurate, reliable, and simple-to-understand information on the sources of energy"1 that are delivered to their respective customers each year. SCP submitted its 2025 PSD Annual Report on June 1, 2026. The PSD Annual Reports include SCP's specified power purchases, resales, and self-consumption of energy by fuel type. Information from SCP's 2025 PSD Annual Reports is included in SCP's 2025 Power Content Label (PCL). The Power Content Label is mailed to SCP customers and posted on both SCP's and the California Energy Commission's (CEC) websites.

Under the amended program regulations, the audit requirements have changed slightly for public agencies. In the past, public agencies that chose to obtain board approval in lieu of completing an audit, would need to take both their annual reports and Power Content Label to their board for approval. The new regulations eliminated the requirement for the PCL to be approved as per the California Code of Regulations Section 1394.2.

[1] PUC § 398.1(a).

Discussion

The Resolution will approve SCP's 2025 PSD Annual Reports for SCP's CleanStart and EverGreen products and attest to the veracity of the data in the PSD Annual Report. Adoption of the attached resolution as recommended by staff enables SCP to comply with the CEC regulation implementing SB 1305.[2]

During the 2025 calendar year, SCPA provided CleanStart customers with an energy supply including 50% renewable energy broken down as 16% geothermal, 3% eligible small hydroelectric, 22% solar and 9% wind. The remaining sources for CleanStart were 41% large hydroelectric, 8% nuclear and 1% unspecified power.

For EverGreen customers, SCPA provided 100% renewable energy to participating customers including 91% purchased from local geothermal sources and 9% purchased from local solar sources. For comparison, California's total renewable energy ratio is 33%

Since 2020, retail sellers must include greenhouse gas (GHG) data for generation and procurement in the PSD Annual Reports and on the Power Content Label.[3] SCP reports that it produces a GHG Emissions Intensity of 8 pounds CO2e/megawatt hour (lbs CO2e/MWh) for its CleanStart product, and 0 lbs CO2e/MWh for its EverGreen product, compared to the 2023 California Utility Average of 384 lbs CO2e/MWh. As a reminder, what makes EverGreen special is that it is produced exclusively from local resources in Sonoma and Mendocino Counties and meets loads 24 hours per day from renewable sources, something that no other power service in California provides yet.

Fiscal Impact

Adoption of the Resolution will not result in any financial impact to SCP.

Agency Goals

SCP's adoption of Resolution 2026-02 Attesting to the Accuracy of Sonoma Clean Power Authority's 2025 Power Source Disclosure Annual Report directly supports the agency goal of continuing to improve its governance practices by providing transparency to the Board, the Committee, and the public.

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[2] 20 CRR § 1390-1394.

[3] Modification of Regulations Governing the Power Source Disclosure Program, May 4, 2020, p. 15.

Community Advisory Committee Review

On September 17, 2026, the Community Advisory Committee recommended that the Board of Directors adopt Resolution 2026-02 Attesting to the Accuracy of Sonoma Clean Power Authority's 2025 Power Source Disclosure Annual Report.

Attachments

- Attachment 1 – Draft Resolution 2026-02 Approving SCP 2025 Power Source Disclosure Annual Report with Exhibit 1 – SCP 2025 Power Source Disclosure Annual Report, which can be found at this link or by request to the Clerk of the Board.

Attachment 1

[NOT YET ADOPTED]

RESOLUTION NO. 2026 – 02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA CLEAN POWER AUTHORITY APPROVING AND ATTESTING TO THE VERACITY OF THE 2025 POWER SOURCE DISCLOSURE ANNUAL REPORT

WHEREAS, Senate Bill 1305 was adopted in 1997, establishing an Electricity Generation Source Disclosure Program, ("Power Source Disclosure Program"), which requires retail suppliers of electricity to annually submit Power Source Disclosure Report to the California Energy Commission, and to annually provide Power Content Label to their consumers.

WHEREAS, Sonoma Clean Power Authority is a retail supplier of electricity as defined by the Power Source Disclosure Program (20 CCR § 1391).

WHEREAS, the Power Source Disclosure Regulation was updated effective May 4, 2020, allowing the board of directors of a public agency providing electric services to approve, at a public meeting, the submission to the California Energy Commission of an attestation of the veracity of Sonoma Clean Power Authority's Power Source Disclosure Annual Report, attached hereto as Exhibit 1, available at this link, or by request to the Clerk of the Board.

WHEREAS, the Board held a public meeting October 1, 2026, to consider the 2025 Power Source Disclosure Annual Report;

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

Section 1. Approves the submission and attests to the veracity of the attached 2025 Power Source Disclosure Annual Reports for Sonoma Clean Power Authority (Exhibit 1).

[SIGNATURES APPEAR ON FOLLOWING PAGE]

DULY ADOPTED this 1st day of October, 2026

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

In alphabetical order by jurisdiction

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Chair, Sonoma Clean Power Authority

Attest:

____

Clerk of the Board

APPROVED AS TO FORM:

____

Special Counsel,
Sonoma Clean Power Authority

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Sonoma Clean Power

Staff Report – Item 04

To: Sonoma Clean Power Authority Board of Directors

From: Karen Flores, Clerk of the Board
Stephanie Reynolds, Director of Internal Operations

Issue: Approve the Board of Directors Meeting Dates for the 2027 Calendar Year

Date: October 1, 2026

Recommendation

Approve the Board of Directors Meeting Dates for the 2027 Calendar Year.

Background

Section 54954(a) of the California Government Code states that legislative bodies shall provide, by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body, the time and place for holding regular meetings. The Board of Directors adopted Resolution No. 2022-02 on July 7, 2022, establishing a time and place for regular meetings of the Board of Directors. While the September meeting has been cancelled in years past, due to a heavy legislative schedule, the date is set as a placeholder.

Discussion

The proposed schedule is included as an attachment.

Attachments

- Attachment 1 - Proposed 2027 SCPA Board of Directors Meeting Schedule
- SCP Resolution No. 2022-02, available at this link or by request to the Clerk of the Board

Sonoma Clean Power Authority
Board of Directors
Schedule of Meetings
January – December 2027
9:00 a.m. – 12:00p.m.

(The SCPA Board of Directors normally meets on the 1st Thursday of each month)

January 7, 2027

February 4, 2027

March 4, 2027

April 1, 2027

May 6, 2027

June 3, 2027

July 1, 2027

August 5, 2027

September 2, 2027 (Tentative)

October 7, 2027

November 4, 2027

December 2, 2027

Sonoma Clean Power

Staff Report – Item 05

To:	**Sonoma Clean Power Authority Board of Directors**
From:	**Stephanie Reynolds, Director of Internal Operations**
Issue:	**Receive Internal Operations Report and Provide Direction as Appropriate**
Date:	**October 1, 2026**

RECENT TRADE-RELATED WORKSHOP AT THE CUSTOMER CENTER

Sonoma Clean Power, the Building Decarbonization Coalition (BDC), and industry partners met on September 16th, for a free, practical workshop on the upcoming Zero-Emission Appliance Rule (Rule 9-6) and how it will impact residential water heater replacements beginning in 2027. In attendance, about 35 contractors, plumbers, and installers learned about heat pump water heater solutions, installation considerations, space-constrained applications, licensing requirements, and available rebates and incentives. The session included expert presentations, Q&A, and networking opportunities.

COMMERCIAL & INDUSTRIAL BATTERY ENERGY STORAGE PILOT

The Capital Projects & Engineering team is evaluating a pilot to determine whether SCP-owned and operated behind-the-meter (BTM) battery energy storage systems (BESS) at Commercial & Industrial (C&I) sites can simultaneously provide meaningful customer bill savings and quantifiable procurement cost reductions to benefit all SCP customers. C&I customer outreach conducted to date has indicated strong interest in the potential bill savings and resiliency benefits of battery storage; however, many customers have expressed uncertainty regarding technology providers and a preference to avoid the responsibility of owning, operating, and maintaining battery assets. In response, the pilot will explore a model under which SCP would own and manage the battery systems while participating customers would enroll through a subscription or participation fee structure. Staff will release a solicitation next month to partner with a third party for technical and commercial assistance to evaluate candidate C&I sites, evaluate ownership and operating models, assess customer savings structures, and develop decision-ready project business cases to install BESS at select C&I sites. The pilot is expected to launch in 2027 and advance up to five projects totaling at least 1 MWh of battery storage capacity. Lessons learned from the pilot will be used to evaluate the potential for a larger-scale C&I customer battery offering in the future. Staff will provide the Board with updates as the pilot development efforts progress.

PARTICIPATION RATES BY TOWN OR TERRITORY (TOT) (AS OF 9/9/2026)

Meters and Participation by TOT

COUNTY	Eligible	SCP	% Part.	% Opt Out
MENDOCINO	**38,320**	**30,633**	**79.9%**	**20.1%**
FORT BRAGG INC	4,116	3,499	85.0%	15.0%
POINT ARENA INC	344	296	86.0%	14.0%
UNINC MENDOCINO CO	31,116	24,654	79.2%	20.8%
WILLITS INC	2,744	2,184	79.6%	20.4%
SONOMA	**233,973**	**207,154**	**88.5%**	**11.5%**
CLOVERDALE INC	4,013	3,363	83.8%	16.2%
COTATI INC	3,926	3,540	90.2%	9.8%
PETALUMA INC	27,961	25,007	89.4%	10.6%
ROHNERT PARK INC	19,971	17,670	88.5%	11.5%
SANTA ROSA INC	82,106	73,273	89.2%	10.8%
SEBASTOPOL INC	4,507	4,123	91.5%	8.5%
SONOMA INC	6,469	5,725	88.5%	11.5%
UNINC SONOMA CO	74,765	65,456	87.5%	12.5%
WINDSOR INC	10,255	8,997	87.7%	12.3%
Total	**272,293**	**237,787**	**87.3%**	**12.7%**

At a previous Board meeting, an example of the annually distributed Joint Rate Mailer was provided for the members present and the public. It showed a side-by-side comparison to PG&E with our energy mix and current rates for customers. In this October 1 board meeting, a Resolution to attest to the accuracy of the annual Power Source Disclosure is on the Consent calendar. In the coming month, this information will be distributed to all customers.

Generally, when any information is mailed/emailed/or published for all customers (such as the Joint-Rate Mailer), there is a brief uptick in interest and communications to our call center. People that generally do not review their energy bills take a closer look and have questions. We rely on our highly-trained Customer Service Representatives and all staff to be able to answer the wide range of questions that come up and, if possible, to retain customers – who always have the option to opt-out of SCP service and return to PG&E. The following table shows that since 2018 SCP's Number of Participating Customers has slowly increased.

Opt Outs by Calendar Year

Year	To Date 7/31	Total for Year	Number of Customers*
2018	1,629	2,327	224,833
2019	980	1,451	226,480
2020	1,216	2,164	228,533
2021	1,513	2,384	229,583
2022	1,154	2,084	230,759
2023	1,068	1,575	230,838
2024	815	1,221	232,753
2025	427	716	236,144
2026	510		

*End of subject year

NORTH BAY BUSINESS JOURNAL BEST PLACES TO WORK

On September 8, 2026, SCP staff joined the other Winners of the 2026 NBBJ Best Places to Work Award ceremony at the Graton Resort and Casino in Rohnert Park. This is the 8th consecutive win for SCP. The winners are chosen based on confidential employee surveys, along with a review of our culture, a summary of our benefits packages and other ways we value our employees – like dogs in the workplace!

Upcoming Meetings

- Community Advisory Committee – October 15, 2026
- Board of Directors – November 1, 2026
- Community Advisory Committee – November 19, 2026
- Board of Directors – December 3, 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 transparently sharing information to support good governance, taking actions to protect customers, working on outreach to underrepresented communities, and maintaining a strong credit rating.

Attachments

➢ None.

Staff Report – Item 06

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: October 1, 2026

S&P Global Credit Rating

Following a ratings review meeting with S&P in August, S&P Global Ratings has affirmed SCP's "A" credit rating and revised its outlook from "Stable" to "Positive". This outcome reflects SCP's conservative fiscal planning, strong management and governance by the CEO and Board, and an effective power procurement strategy that has proactively addressed Power Charge Indifference Adjustment (PCIA)-related challenges. The full report from S&P Global is available at this link or by request to the Clerk of the Board, and the press release can be found at: https://www.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/3630099.

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.

Monthly Compiled Financial Statements (June 30, 2026 – DRAFT*)

The year-to-date change in fund balance is under projections by approximately $43,640,000*. This result is largely the effect of a $57,500,000* proposed transfer to the Rate Stabilization Fund (RSF). Year-to-date revenue from electricity sales, excluding the proposed RSF transfer effect, is less than budget by approximately 1% and cost of energy is under budget projections by approximately 7%. Year-to-date electricity sales, gross of RSF, reached $221,864,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive $230,392,000*. Approximately $385,590,000 is set aside for operating reserves as of June 30, 2026. SCP has been returning funds to customers since January 2026, and an additional $52,000,000 is expected to be returned from July 2026 through June 2027.

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

**The draft financial statements for June 2026 reflect the proposed GASB 62 revenue deferral into the Rate Stabilization Fund from fiscal year 2025/26 based on management estimates and is subject to SCP Board approval. Net Position has been reduced by the proposed revenue deferral of $57,500,000.*

Budgetary Comparison Schedule (June 30, 2026 – DRAFT*)

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 under budget by less than approximately 1% at the end of the reporting period.

The cost of electricity was less than the budget-to-date by approximately 7%. Variation in this account is typically due to fluctuating market cost of energy on open position purchases as well as supplier delivery delays.

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.

**The draft budgetary comparison for June 2026 reflects the proposed GASB 62 revenue deferral into the Rate Stabilization Fund from fiscal year 2025/26 based on management estimates and is subject to SCP Board approval.*

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 (August 2026). Links to the July 2026 investment reports, which have yet to be reviewed by the Board, can be found in the Attachments section.

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 J.P. Morgan. 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 August 31st, 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 August 31, 2026, at USBank appear as Attachment 3 with new holdings purchased in August highlighted. USBank transaction details for the month of August, 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 August 31, 2026, appears as Attachment 5. River City Bank transaction details for the month of August, including purchases and maturities of securities, are in Attachment 6.

State of California Local Agency Investment Fund

The LAIF investment balance as of August 31, 2026, appears as Attachment 7.

J.P. Morgan

The J.P. Morgan investment balance as of August 31, 2026, appears as Attachment 8.

Agency Goals

SCP's Financial Report, and more broadly, its financial decisions, support three of the Agency's 2027 goals.

1. Maintain SCP's 'A' credit rating to support cost-effective power procurement, and work to establish a pathway for an upgrade to A+.
2. Recommend how SCP can continue to improve its governance practices.
3. Recommend and take all necessary actions to sustain competitive customer rates and strong customer service.

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 – June 2026 Draft Financial Statements
- Attachment 2 – June 2026 Budgetary Statement
- Attachment 3 – August 2026 Statement of Investments Held at USBank, available at this link or by request to the Clerk of the Board
- Attachment 4 – August 2026 Statement of Transactions at USBank, available at this link or by request to the Clerk of the Board
- Attachment 5 – August 2026 Statement of Investments Held at River City Bank, available at this link or by request to the Clerk of the Board
- Attachment 6 – August 2026 Statement of Transactions at River City Bank, available at this link or by request to the Clerk of the Board
- Attachment 7 – August 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 – August 2026 Statement of Investments Held at J.P. Morgan, available at this link or by request to the Clerk of the Board
- Attachment 9 – July 2026 Statement of Investments Held at USBank, available at this link or by request to the Clerk of the Board
- Attachment 10 – July 2026 Statement of Transactions at USBank, available at this link or by request to the Clerk of the Board
- Attachment 11 – July 2026 Statement of Investments Held at River City Bank, available at this link or by request to the Clerk of the Board
- Attachment 12 – July 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 13 – July 2026 Statement of Investments Held at J.P. Morgan, available at this link or by request to the Clerk of the Board

MAHER
ACCOUNTANCY

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 June 30, 2026, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the year 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
August 10, 2026

1101 Fifth Avenue, Suite 200 San Rafael, CA 94901 415 459 1249 mahercpa.com

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION
As of June 30, 2026

ASSETS	
Current assets	
Cash and cash equivalents	$ 216,047,074
Accounts receivable, net of allowance	11,300,218
Other receivables	5,098,047
Accrued revenue	10,123,048
Prepaid expenses	1,867,399
Deposits	955,743
Investments	96,459,001
Total current assets	341,850,530
Noncurrent assets	
Investments	81,922,885
Loan receivable	3,886,475
Other receivables	742,200
Capital assets, net of depreciation	23,245,475
Total noncurrent assets	109,797,035
Total assets	451,647,565
LIABILITIES	
Current liabilities	
Accrued cost of electricity	20,235,827
Accounts payable	1,614,925
Other accrued liabilities	2,028,289
User taxes and energy surcharges due to other governments	594,100
Supplier security deposits	30,000
Total current liabilities	24,503,141
Noncurrent liabilities	
Supplier security deposits	1,752,721
Total liabilities	26,255,862
DEFERRED INFLOWS OF RESOURCES	
Rate stabilization fund	195,000,000
NET POSITION	
Investment in capital assets	23,245,475
Unrestricted	207,146,228
Total net position	$ 230,391,703

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended June 30, 2026

OPERATING REVENUES	
Electricity sales, net	$ 218,575,391
Revenue directed to Rate Stabilization Fund	(57,500,000)
Evergreen electricity premium	3,092,243
Liquidated damages	15,328,355
Total operating revenues	179,495,989
OPERATING EXPENSES	
Cost of electricity	166,114,150
Contract services	9,562,135
Staff compensation	12,787,147
Program rebates and incentives	2,343,715
Other operating expenses	3,077,616
Depreciation	1,190,540
Total operating expenses	195,075,303
Operating income	(15,579,314)
NONCAPITAL SUBSIDIES	
Grant revenue	1,103,230
Total noncapital subsidies	1,103,230
Operating income and noncapital subsidies	(14,476,084)
NONOPERATING REVENUES (EXPENSES)	
Investment income	15,270,582
Charitable contribution	(250,000)
Nonoperating revenues (expenses), net	15,020,582
CHANGE IN NET POSITION	544,498
Net position at beginning of year	229,847,205
Net position at end of period	$ 230,391,703

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS
Year Ended June 30, 2026

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 230,563,783
Receipts from grantors	439,947
Receipts of security deposits and liquidated damages revenue	24,942,946
Receipts from wholesale sales and other operating activities	29,338,658
Payments to electricity suppliers	(193,811,342)
Payments for other goods and services	(13,082,972)
Payments for staff compensation	(12,423,759)
Payments for program rebates and incentives	(2,027,671)
Payments of taxes and surcharges to other governments	(3,027,461)
Deposits and collateral paid	(7,735,170)
Net cash provided (used) by operating activities	53,176,959
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(6,842,689)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income received	12,418,680
Proceeds from sales and maturities of investments	20,971,747
Loan principal received	3,651
Purchase of investments	(36,665,257)
Loan issued	(3,931,983)
Net cash provided (used) by investing activities	(7,203,162)
Net change in cash and cash equivalents	39,131,108
Cash and cash equivalents at beginning of year	176,915,966
Cash and cash equivalents at end of period	$ 216,047,074
Reconciliation to the Statement of Net Position	
Cash and cash equivalents - current	216,047,074
Cash and cash equivalents - restricted (current)	-
Cash and cash equivalents	216,047,074
NONCASH INVESTING ACTIVITES	
Change in fair value of investments	$ 2,897,800
Change in interest receivable	$ (45,898)

See accountants' compilation report.

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS
(Continued)
Year Ended June 30, 2026

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

Operating income (loss)	$ (15,579,314)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	1,190,540
Noncapital subsidies	1,103,230
Charitable contribution considered an operating activity for cash flow purposes only	(250,000)
(Increase) decrease in:	
Accounts receivable, net of allowance	3,411,850
Other receivables	1,392,568
Accrued revenue	2,506,917
Prepaid expenses	(342,394)
Deposits	5,619,699
Increase (decrease) in:	
Accrued cost of electricity	1,610,302
Accounts payable	(49,181)
Other accrued liabilities	(891,426)
User taxes due to other governments	(50,079)
Supplier security deposits	(3,995,753)
Rate Stabilization Fund	57,500,000
Net cash provided (used) by operating activities	$ 53,176,959

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 year ended June 30, 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
August 10, 2026

1101 Fifth Avenue, Suite 200 San Rafael, CA 94901 415 459 1249 mahercpa.com

SONOMA CLEAN POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND
Year Ended June 30, 2026

	2025/26 YTD Amended Budget	2025/26 YTD Actual	2025/26 YTD Amended Budget Variance (Under) Over	2025/26 YTD Actual / Amended Budget %
REVENUE AND OTHER SOURCES:				
Electricity (net of allowance) *	$ 221,379,000	$ 218,772,105	$ (2,606,895)	99%
Revenue directed to Rate Stabilization Fund	-	(57,500,000)	(57,500,000)	na
Evergreen Premium (net of allowance)	3,150,000	3,092,243	(57,757)	98%
CEC Grant Proceeds	863,000	1,103,230	240,230	128%
Investment returns	15,994,000	15,270,582	(723,418)	95%
Total revenue and other sources	241,386,000	180,738,160	(60,647,840)	75%
EXPENDITURES AND OTHER USES:				
CURRENT EXPENDITURES				
Cost of energy and scheduling	162,463,000	150,982,509	(11,480,491)	93%
Data management	3,359,000	3,426,877	67,877	102%
Service fees- PG&E	990,000	998,416	8,416	101%
Personnel	12,781,000	12,787,147	6,147	100%
Marketing & communications	4,415,000	2,777,494	(1,637,506)	63%
Customer service	220,000	208,082	(11,918)	95%
General and administration	2,309,000	2,014,431	(294,569)	87%
Legal	525,000	468,707	(56,293)	89%
Regulatory and compliance	360,000	160,841	(199,159)	45%
Accounting	340,000	339,200	(800)	100%
Legislative	220,000	234,000	14,000	106%
Other consultants	535,000	441,009	(93,991)	82%
Industry memberships and dues	888,000	1,063,164	175,164	120%
Program implementation	6,481,000	3,101,245	(3,379,755)	48%
Total current expenditures	195,886,000	179,003,122	(16,882,878)	91%
OTHER USES				
Capital outlay	7,022,000	6,896,716	(125,284)	98%
Total expenditures, other uses	202,908,000	185,899,838	(17,008,162)	92%
Net increase (decrease) in available fund balance	$ 38,478,000	$ (5,161,678)	$ (43,639,678)	

** Represents sales of approximately 1,993,000 MWh for 2025/26 YTD actual.*

RESERVES	Balance - as of June 30, 2026	Long-Term Targeted	% of Long-Term Target
Reserves and Rate Stabilization Funds	$ 385,590,000	$ 253,932,000	152%

See accountants' compilation report.

SONOMA CLEAN POWER AUTHORITY

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

Year Ended June 30, 2026

Net increase (decrease) in available fund balance per budgetary comparison schedule:	$	(5,161,678)
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:		
Subtract depreciation expense		(1,190,540)
Add back capital asset acquisitions		6,896,716
Change in net position	$	544,498

See accountants' compilation report.

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Staff Report – Item 07

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: October 1, 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 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.

Partner Updates

This summer, staff held eleven "GeoZone 2.0 pitch" meetings with prospective GeoZone partners to share SCP's objectives in forming new public-private partnerships to progress geothermal development in the GeoZone. Staff are now following up with interested partners to hear their proposals on supporting the objectives of the GeoZone and to workshop potential partnership structures. In evaluating proposals in these workshops, SCP is focusing on two primary criteria: 1) which partners have the necessary capabilities, when paired with SCP, to overcome challenges to geothermal development in the region; and 2) which partners have a clear strategic interest in scalable development in Sonoma and Mendocino counties. After finishing partnership workshops, staff will evaluate which proposals present the best opportunity to support GeoZone and meet the guidelines for GeoZone agreements set by the Board. Any new GeoZone partnerships that arise from these workshop discussions will be presented to the Committee and subject to Board approval.

SCP are continuing to prospect site opportunities with Eavor. Eavor has completed an updated feasibility analysis capturing trade-offs between different locations in the GeoZone. Transmission access, topography, temperature, and surface constraints are all key criteria. Eavor is also evaluating the characteristics of basement rock throughout the GeoZone to understand ideal conditions for deployment of their technology. SCP and Eavor are working towards a location-specific opportunity to both deliver a competitive application for state exploration drilling and support Eavor's commitment to identify a third-party project investor by March 2027.

Proactive Planning Sonoma-Mendocino Geothermal Planning Grant

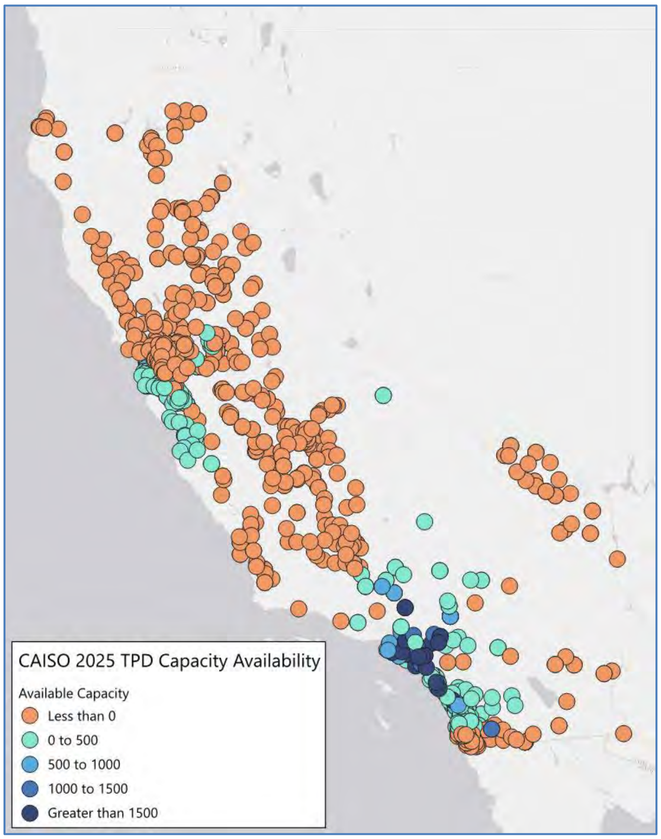
SCP, Sonoma County, and Mendocino County were awarded a grant to support proactive regional planning for geothermal development by the CEC. The team has largely finished the first grant deliverable, which involved connecting with jurisdictions across the country with active geothermal development to capture challenges and best practices. The grant team has met with agencies in Nevada, Utah, Oregon, and California. The grant team will be visiting Central Oregon in-person in mid-October to see two next-generation geothermal projects first-hand. Meanwhile, the National Lab of Rockies is working on state-of-the-art geologic modeling to better characterize the potential for geothermal development in the region.

Interconnection Cluster 16 Deliverability Reservations

The California Independent System Operator (CAISO) is opening interconnection Cluster 16 in late October. Cluster 16 is the first opportunity for new transmission-scale projects to enter the queue for interconnection since Cluster 15 opened in April 2023. Under the CAISO's reformed process, projects seeking deliverability are only allowed to enter the queue where there is existing or planned transmission capacity. As shown in the deliverability heatmap included as Figure 1, the availability of capacity in California is extremely limited—and does not align well with geothermal opportunities.

However, for the first time, CAISO is including deliverability reservations for geothermal in Cluster 16. Deliverability reservations are a mechanism that the CAISO has set up to allow the California Public Utilities Commission to request capacity be reserved for specific long-lead time technologies. For Cluster 16, projects with the specified technology and point of interconnection will be allowed in the queue even if deliverability in the region is otherwise not available. The deliverability reservations include four substations in SCP's region and total 124 MW: Cloverdale, Fulton, Eagle Rock, and Geysers 17. Seeing capacity mapped and reserved for geothermal in SCP's region is a very positive step, and a direct result of SCP's proactive advocacy on transmission planning for the GeoZone. SCP is currently engaging the CPUC and CAISO on improving the interpretation and application of deliverability reservations, to enable projects that may not have the exact points of interconnection, but are within the same region and grid constraints, to take advantage of this important tool.

Figure 1. CAISO Deliverability Heatmap



California Public Utilities Commission (CPUC) 2027-2028 Transmission Plan

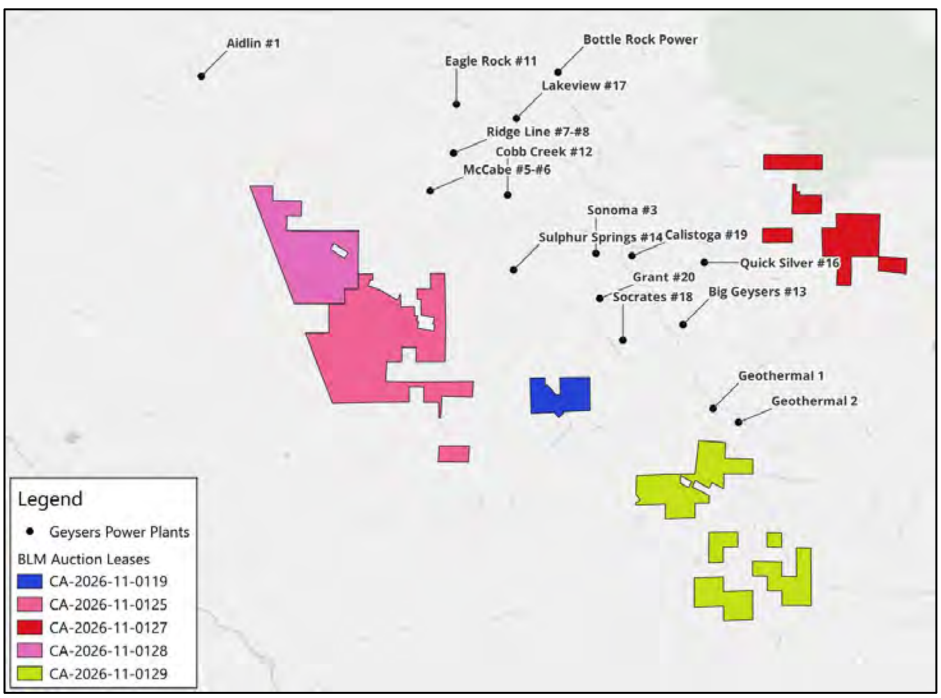
In staff's last GeoZone update, it was shared that the CPUC was proposing to adopt an assumption that no new geothermal would be developed in-state for a period of ten years, to reflect recent experience in the Salton Sea. Adopting a ten-year development assumption would have been detrimental to resource planning for in-state geothermal: it pushes resources outside their tax credit eligibility window and allows the CAISO to continue delaying needed transmission investments. SCP staff organized an aggressive response, by meeting with CPUC IRP staff, submitting well-documented comments, and coordinating with other advocacy partners.

At the end of August, the CPUC released a ruling proposing their portfolio for the 2027-2028 transmission plan and reduced the assumption to seven years and incorporated more interim capacity based on data SCP shared on on-going development. In 2035, the portfolio includes over 1.1 GW of geothermal capacity in the PG&E territory alone—which will keep the ball rolling on the transmission investments needed to accommodate an in-state scale-up. The proposed portfolio also includes an assumption that 2 GW of geothermal will serve California by 2032 via the proposed High West Transmission Project, although there is a significant claw-back in the assumed capacity of out-of-state wind due to lack of commercial progress. The CPUC is also proposing the removal of offshore wind from the portfolio, which creates an additional need for geothermal and onshore wind to meet the state's resource diversity needs.

Bureau of Land Management California Geothermal Lease Auction

In mid-September, the Bureau of Land Management (BLM) announced a geothermal lease auction for federal acreage in California (link to press release). At 40,000 acres, the auction is double the size of the one held in 2025 and has much more geographic diversity, with properties in Modoc, Sonoma, Lake, Mono, Inyo, and Imperial counties. Locally, there are five parcels in the auction totaling over 6,400 acres. Figure 2 shows a map of the local parcels relative to existing geothermal plants at the Geysers.

Figure 2. Sonoma/Lake Parcels in 2026 BLM Lease Sale



These leases, all located around the edge of the Geysers, provide an opportunity for new geothermal development activity in the region. Given the outcome of the auction may impact the merit of GeoZone 2.0 partnership proposals, staff expect to wait until after results are announced before finalizing a recommendation for GeoZone 2.0 partnerships.

Department of Energy

The Department of Energy announced the selection of 21 projects to advance geothermal energy, totaling $99 million, for 21 projects across the United States (link to press release). Five of the projects entail field-scale demonstrations of Enhanced Geothermal Systems (EGS) technology and are sited in Idaho, New Mexico, Nevada, and Oregon. Sixteen of the projects fund exploration drilling to support the development of drilling techniques and collect geologic data to inform conventional and next-generation technologies. Four of the sixteen exploratory projects are in California: two in Imperial County, one in Lassen County, and one in San Bernadino County. The scope of the exploration projects is expected to be similar to the types of projects expected to be funding with the $20 million in state cost-share secured by Sonoma Clean Power. Awardees included California Community Power partners XGS Energy and Zanskar, as well as many developers being actively considered for GeoZone 2.0 partnerships.

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. The lease sale will occur on October 27th, 2026.

Community Advisory Committee Review

The GeoZone item was included as a regular agenda item this cycle at the request of the Committee. The Committee used the item as an opportunity to ask questions about the interconnection process and timeline, status of SCP's advocacy for an exploratory well CEQA exemption, and CAISO's deliverability studies. The Committee expressed interest in ensuring county planning departments have sufficient resources for supporting CEQA review of geothermal activities and appreciated both the California Energy Commission's forthcoming geothermal chapter in the Integrated Energy Policy Report (IEPR) and the field trip with Sonoma and Mendocino planning staff to Central Oregon as first steps in that direction.

Attachments

- None.

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Staff Report – Item 08

To: Sonoma Clean Power Authority Board of Directors

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

Issue: Receive Legislative and Regulatory Updates, Approve Legislative Positions, and Provide Direction as Appropriate

Date: October 1, 2026

Requested Action

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

Regulatory Updates

<u>CPUC Provides Zero Value to CCA Customers for Legacy Renewable Energy Investments</u>

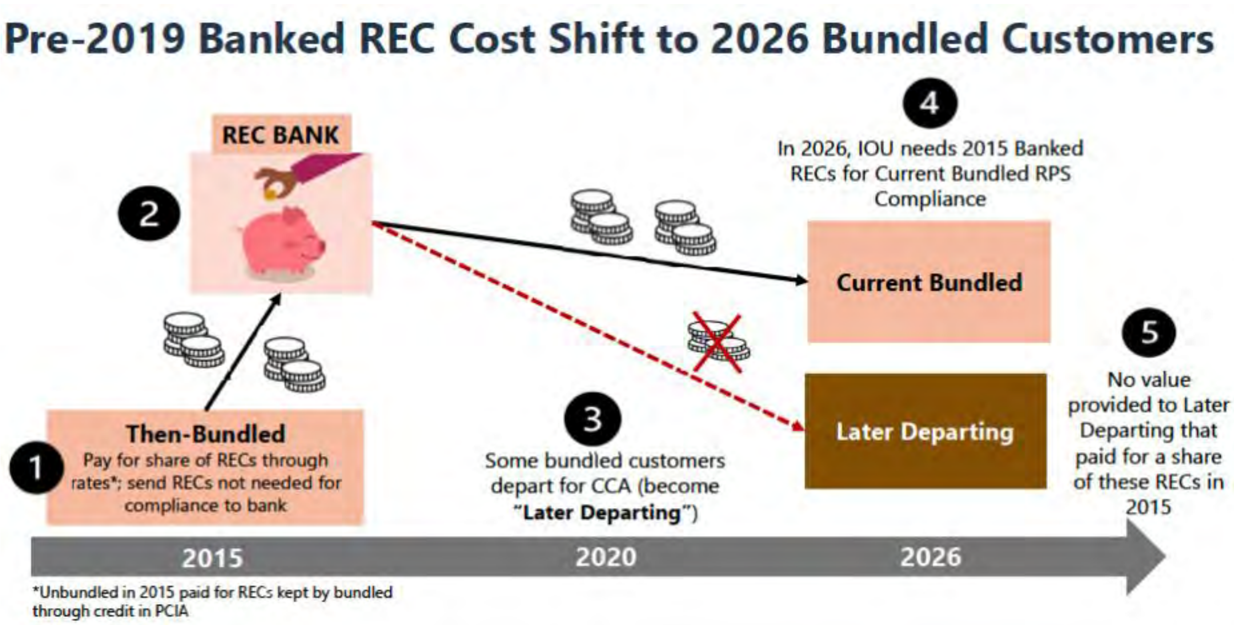
On September 17th, the California Public Utilities Commission (CPUC) unanimously voted to value pre-2019 banked renewable-energy credits (RECs) at $0 in Power Charge Indifference Adjustment (PCIA) calculations. This means that despite paying to generate the renewable energy, customers who later joined a CCA will receive $0 when the utility uses those RECs for compliance with state law.

For context, 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.

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 buys 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 a 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. This Decision concludes that Track of the proceeding.

The CalCCA graphic below depicts the scenario:



sonomacleanpower.org

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 customers. SCP staff, however, contributed to CalCCA's advocacy on this topic as it is financially impactful to our sister CCAs and creates a critical precedent on customer equity.

CalCCA's press release on the adopted decision is provided as an attachment.

<u>SCP Advocates for Equitable Customer Treatment in Power Charge Indifference Adjustment Proceeding</u>

As previously reported, on May 29th, Sonoma Clean Power staff attended an ex parte meeting with Commissioner Baker's Office to discuss the scope of the upcoming 3rd Track of the Power Charge Indifference Adjustment ("PCIA") proceeding. As background, CalCCA had previously advocated that the Commission undertake a broad re-evaluation of this methodology, which results in multi-million-dollar swings in customer rates every year. The for-profit utilities, largely satisfied with the current framework, argued for limiting the proceeding to considering more ministerial changes to the existing methodology. The assigned administrative law judge on this proceeding announced three public planning workshops amongst interested parties on June 8th, 9th, and 15th to discuss what should be included in scope.

Following the judge's announcement, Commissioner Baker's Office invited stakeholders to present recommendations to his staff on how broad the scope should be and what should be included. At the meeting, SCP staff presented alongside CalCCA staff and advocated that the PCIA requires reform to protect all customers and reduce the volatility of their bills. Following the three days of planning workshops, the administrative law judge issued a Ruling granting stakeholders an opportunity to summarize their recommendations for what should be included in the scope of upcoming PCIA reforms. Comments, limited to 15 pages, were submitted on July 9th.

On August 18th, the judge issued a Scoping Memo providing for a broad discussion of structural reforms to the PCIA in this 3rd track of the proceeding. Track 3 will be split into two sub-tracks:

- Track 3A will consider refinements to the existing framework to better achieve indifference by potentially reducing the volatility of the PCIA and/or improving the accuracy of the benchmarks which reflect the market value of the utilities' portfolios and corresponding financial credits they must provide to CCA customers.
- Track 3B will determine whether entirely different frameworks would improve upon the current PCIA methodology and ensure that no group of customers is being subsidized at the expense of another, as required by law.

Track 3A begins immediately, with an expected Commission Decision next Summer. A schedule for Track 3B will be issued in late 2026.

<u>CalCCA Emerges as Lone Advocate for Appropriate Oversight of PG&E Costs</u>

On August 28th, CalCCA submitted testimony on PG&E's Energy Resource Recovery Account ("ERRA"), which governs billions of dollars in procurement costs the utility is permitted to charge customers. As background, every year PG&E files an ERRA Forecast with the California Public Utilities Commission which provides an estimate of what their cost to serve customers for the upcoming year will be. Once approved, this estimate is built into customer rates.

After months of issuing discovery requests and analyzing underlying assumptions, CalCCA submitted 92 pages of testimony. No other stakeholder submitted testimony in this proceeding. This means that without CalCCA's advocacy, the assigned judge would be forced to solely rely on PG&E's proposal for how many billions they should be guaranteed cost recovery for. The scale of these proceedings is enormous, for 2027, PG&E sought permission to charge a total procurement expense of $4.4 billion.

SCP staff wish to emphasize the importance of stepping up to fill the lack of public ratepayer advocacy in California. Without CalCCA, ratepayers would have no representation whatsoever in this case.

CalCCA's testimony focused on ensuring all customers are given full financial value for the charges the utility places on them. It also addressed accurately forecasting data center loads. In that example, our team found that PG&E was systematically inflating forecasted loads by making incredibly aggressive assumptions such as: 90% of all potential data centers will materialize, they'll be built on the customer's requested energization date with no delay, and none of them will use any onsite generation. Each of these unrealistic assumptions would increase the forecasted demand and corresponding costs that PG&E is permitted to charge customers.

PG&E's rebuttal testimony was submitted on Wednesday, September 16th. This Fall, the assigned judge will determine how much of the requested $4.4 billion the utility may put into customer rates for the upcoming year.

Legislative Updates

SCP secured two major victories this year: the passage of SCP's sponsored bill to reform how electric transmission is planned in California with AB 2111 (Papan), and $20 million of state funding to help jumpstart California's geothermal industry!

As of this writing, we continue to wait to learn whether the Governor will sign our other sponsored bill, AB 2369 (Rogers), which would increase California's ability to construct new renewable resources more quickly through allowing more so-called “energy-only” resources to interconnect.

AB 2111 (Papan) Transmission Planning - SIGNED

On September 20, the Governor signed SCP’s sponsored legislation, kicking off a process to revamp the transmission planning process in California. The law will help produce a more flexible, adaptable system that can lower ratepayer costs over the long term and allow faster interconnection of new renewable energy resources in more locations. This is based off the research that SCP and Peninsula Clean Energy sponsored through Princeton University’s ZERO Lab. The Abundance Network and Westlight (formerly PCE) cosponsored AB 2111 with SCP.

California FORGE Geothermal Exploration Funding - $20 Million SIGNED

Also on September 20, SCP secured the Governor’s signature approving $20 million in public funding to leverage an additional $20 million in private funding for early-stage geothermal exploration work in California. To date, over 95% of all new geothermal power serving California customers is getting built in other states. SCP’s effort to launch California’s own geothermal industry drew a broad coalition, including: organized labor, environmental organizations, large customers, industry groups and PG&E. A letter showing the broad coalition is attached.

AB 2369 (Rogers) Energy Only Resources – Waiting for Governor

SCP's sponsored bill updates the transmission planning process to allow planners to get more value out of so-called “energy-only” resources already on the system that are not fully deliverable. The goal is to drive planning based on current and proposed resources that are (or will be) connected to the grid and get more value out of the grid that we have today in the process. As of this writing, the bill is on the Governor’s desk awaiting signature. The Abundance Network cosponsored AB 2369 with SCP.

AB 1761 (Rogers) PCIA Transparency - VETO

Despite unanimous support in the Senate and strong 65-9 support in the Assembly, Governor Newsom vetoed CalCCA’s sponsored bill to improve transparency of how the Power Charge Indifference Adjustment (PCIA) is calculated. The bill proposed amending the Public Utilities Code to require the CPUC and IOUs to disclose all data used to calculate PCIA costs, including cost inputs, forecasting assumptions, and methodologies. Greater transparency would allow CCAs to check PG&E’s math and better advocate for fairness. While this

Governor chose to veto AB 1761, staff will continue to advocate for transparency, accuracy and fairness for all fees customers must pay.

Single CEQA Review / Exemption for Geothermal Exploration - Deferred

All year, SCP tested the prospects for 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. Since California is in the unique position of requiring two completely separate environmental reviews for a geothermal project (one for exploration and a second one for production), the state is at a serious disadvantage compared with all other states. Unfortunately, this year did not provide a good opportunity to advance the CEQA exemption with a reasonable likelihood of success. SCP staff will continue to work with our growing coalition to achieve this goal in 2027.

Agency Goals

Our legislative efforts align well with several agency goals, including advancing clean firm power such as geothermal (Goal 4) and continuing to develop SCP's leadership in the realm of transmission and interconnection (Goal 10).

Community Advisory Committee Review

The Community Advisory Committee received relevant updates on September 17.

Attachments

- Attachment 1 – CalCCA Press Release on CPUC Decision Granting Zero Value to CCA Customers
- Attachment 2 – Bay Area LSE Comments Air District Rule, available at this link or by request to the Clerk of the Board
- Attachment 3 – Geothermal Exploration Budget Letter, available at this link or by request to the Clerk of the Board

Staff Report – Item 09

To: Sonoma Clean Power Authority Board of Directors

From: Kimberly Beltran, Technical Programs Manager
Bridget Abbene, Programs Specialist

Issue: Approve and Delegate Authority to the Chief Executive Officer or His Designee to Execute an Agreement with Uplight, Inc. for Ongoing Demand Response (DR) Provider Services through December 31, 2029, with a Not-to-Exceed Amount of $2,594,831

Date: October 1, 2026

Recommendation

Staff requests that the Board of Directors approve delegating authority to the Chief Executive Officer or their designee to negotiate final terms and execute an agreement with Uplight for ongoing DR provider services, for a term of three years beginning January 1, 2027, through December 31, 2029, with a not-to-exceed amount of $2,594,831.

Background

In 2022, SCP entered into a 5-year contract with Uplight (formerly AutoGrid Systems, Inc.) to relaunch the SCP Rewards (formerly GridSavvy Rewards) program, offering smart device rebates and rewards to encourage customers to shift energy usage away from times of high demand. That contract is set to expire on December 31, 2026.

SCP Rewards launched Alerts, the programs behavioral demand response option, in 2022. Since then, participation has grown from 2,000 customers in the first year to more than 15,000 participants across Alerts, smart thermostats, and EV chargers for the 2026 event season.

This year, SCP Rewards shifted approximately 5.7 MW of load during a peak demand event. SCP aims to build upon that momentum in future years by adding technologies and improving both communication and automated response strategies.

Discussion

To prepare for the expiration of the current contract with Uplight, SCP posted a request for proposal (RFP) in February 2026 to solicit competitive bids for demand response services. Following evaluation, Uplight was selected as the recommended vendor, and staff negotiated an updated agreement with Uplight to continue the SCP Rewards program.

Staff recommend that SCP continue to build upon the existing SCP Rewards program, increase participation, and improve processes and performance. Under the updated partnership, SCP endeavors to add battery energy storage systems (BESS) as an eligible technology type, grow smart thermostat enrollment, and expand Alerts, the device-free behavioral offering that lets customers participate and earn rewards without an installed device.

Under the renewed contract with Uplight, SCP will launch a new customer portal to streamline enrollment and performance reporting. SCP will further build upon the relationship with Uplight by coordinating marketing and outreach campaigns, building the SCP Rewards brand, and leveraging the expertise of the Uplight marketing team.

The new contract will seamlessly extend the SCP Rewards program for an additional 3 years, continuing SCP’s partnership with Uplight, with a 3-year extension option (negotiated separately) to encourage ongoing innovation and program efficacy.

The new agreement is structured to support continued enrollment growth (see Attachment 1, exhibit A, Table 5: Device Forecast). SCP's California Energy Commission (CEC) Virtual Power Plant Flexible Load (VPP-Flex) grant supports fleet development, and grant funding will partially offset the cost of platform fees and customer incentives.

The agreement builds upon our current foundation, improves customer experience, and helps ensure SCP can manage a growing fleet of SCP customer locations and devices through behavioral and automated offerings to support grid reliability.

Fiscal Impact

The agreement has a total not-to-exceed amount of $2,594,831 for the 3-year term, covering all operational, program management, platform and device fees (currently estimated at $1,664,791 of the total and is subject to actual enrollment), enrollment and marketing support, and program administration. Customer incentives are budgeted separately under Customer Energy Solutions. Costs for Fiscal Year 2026-2027 are included in the Board-approved budget under Customer Energy Solutions; future-year costs are contingent on Board approval of those budgets. SCP's CEC VPP-Flex grant will partially offset program costs and incentives.

Agency Goals

This agreement supports SCP's strategic load flexibility and grid reliability goals by shifting energy use outside of the periods of highest demand, typically between 4-9 PM, from May through October. It also contributes directly to SCP's VPP-FLEX grant commitments with the California Energy Commission, with ongoing attention to expanding access for income-qualified customers.

Community Advisory Committee Review

On September 17, 2026, the Community Advisory Committee approved the recommendation that the Board of Directors assign delegating authority to the CEO or their designee to negotiate final terms and approve a three-year contract with Uplight, Inc. with a not-to-exceed of $2,594,831 to provide ongoing demand response provider services to continue and optimize the SCP Rewards program.

Attachments

- Attachment 1 – Draft Professional Services Agreement with Uplight, Inc for On-going Demand Response Provider Service, available at this link or by request to the Clerk of the Board