



**AGENDA  
COMMUNITY ADVISORY COMMITTEE MEETING  
MONDAY, NOVEMBER 16, 2020  
1:00 P.M.**

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**\*\*\*\*GOVERNOR'S EXECUTIVE ORDER N-25-20\*\*\*\***

**\*\*\*\*GOVERNOR'S EXECUTIVE ORDER N-29-20\*\*\*\***

\*\*RE CORONAVIRUS COVID-19\*\*

CONSISTENT WITH THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20 WHICH SUSPEND CERTAIN REQUIREMENTS OF THE BROWN ACT, AND THE ORDER OF THE HEALTH OFFICER OF THE COUNTY OF SONOMA TO SHELTER IN PLACE TO MINIMIZE THE SPREAD OF COVID-19, MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE WILL PARTICIPATE IN THE NOVEMBER 16, 2020, MEETING BY TELECONFERENCE. DUE TO THE EXECUTIVE ORDERS, IN-PERSON PARTICIPATION BY THE PUBLIC WILL NOT BE PERMITTED AND NO PHYSICAL LOCATION FROM WHICH THE PUBLIC MAY ATTEND THE MEETING WILL BE AVAILABLE. REMOTE PUBLIC PARTICIPATION DETAILS ARE LISTED BELOW.

**Members of the public who wish to participate in the Community Advisory Committee Meeting may do so via the following webinar link or teleconference call-in number and meeting code:**

- Webinar link: <https://zoom.us/j/98351955564>
  - Telephone number: 1 (669) 900-9128
  - Meeting ID: 983 5195 5564

**PLEASE NOTE: The Sonoma Clean Power Business Office is closed and this meeting will be conducted entirely by teleconference.**

How to Submit Public Comment During the Teleconference Meeting:

The Chair will request public comment during the Public Comment period for all items on the agenda. Comments may be submitted in writing (preferred) to [meetings@sonomacleanpower.org](mailto:meetings@sonomacleanpower.org) or during the meeting via the webinar "raise your hand" feature. For detailed public comment instructions, [please visit this page](#).

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.

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

## **I. CALL TO ORDER**

## **II. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA**

(Comments are restricted to matters within the Committee's jurisdiction. Please be brief and limit spoken comments to three minutes, or 300 words if written.)

## **III. COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR**

1. Approve October 22, 2020 Draft Community Advisory Committee Meeting Minutes (Staff Recommendation: Approve) - pg. 5
2. Recommend that the Board of Directors Approve an Extension of Customer Service Policy A.6a - 2020 COVID-19 Emergency Consumer Protection Policy (Staff Recommendation: Approve) - pg. 9
3. Recommend that the Board of Directors Authorize the Chief Executive Officer Execute an Agreement with Ibex Enterprises dba RDI, Resource Design Interiors to provide furniture for the SCP Headquarters Building in the amount of \$268,209.82 (Staff Recommendation: Approve) - pg. 19
4. Receive Overview of Self-Generation Incentive Program (SGIP) Assistance (Staff Recommendation: Receive and File) - pg. 27
5. Recommend Board Approval of a Resolution Attesting to the Accuracy of SCP's 2019 Power Source Disclosure Annual Report for CleanStart and EverGreen Products (Staff Recommendation: Approve) - pg. 33

## **IV. COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR**

6. Receive Internal Operations and Monthly Financial Report and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) - pg. 59
7. Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) - pg. 71
8. Receive Report on the Potential Participation in Forming a JPA of CCAs for the Purpose of Joint Procurement of Energy Resources and Products and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) - pg. 73

## **V. COMMITTEE MEMBER ANNOUNCEMENTS**

## **VI. ADJOURN**

*DISABLED ACCOMMODATION: If you have a disability which requires an accommodation or an alternative format, please contact the Clerk of the Board at (707) 890-8491, or by email at [meetings@sonomacleanpower.org](mailto:meetings@sonomacleanpower.org) as soon as possible to ensure arrangements for accommodation.*

## COMMONLY USED ACRONYMS AND TERMS

<b>AER</b>	Advanced Energy Rebuild (A program that helps homeowners affected by the October 2017 firestorms rebuild energy efficient, sustainable homes).
<b>CAC</b>	Community Advisory Committee
<b>CAISO</b>	California Independent Systems Operator
<b>CAM</b>	Cost Allocation Mechanism
<b>CCA</b>	Community Choice Aggregation
<b>CEC</b>	California Energy Commission
<b>CleanStart</b>	SCP's default service
<b>CPUC</b>	California Public Utility Commission
<b>DER</b>	Distributed Energy Resource
<b>ERRA</b>	Energy Resource Recovery Account
<b>EverGreen</b>	SCP's 100% renewable, 100% local energy service
<b>Geothermal</b>	A locally-available, low-carbon baseload renewable resource
<b>GHG</b>	Greenhouse gas
<b>GRC</b>	General Rate Case
<b>IOU</b>	Investor Owned Utility (e.g., PG&E)
<b>IRP</b>	Integrated Resource Plan
<b>JPA</b>	Joint Powers Authority
<b>LSE</b>	Load Serving Entity
<b>MW</b>	Megawatt (Power = how fast energy is being used at one moment)
<b>MWh</b>	Megawatt-hour (Energy = how much energy is used over time)
<b>NEM</b>	Net Energy Metering
<b>NetGreen</b>	SCP's net energy metering program
<b>PCIA</b>	Power Charge Indifference Adjustment ( <i>This fee is intended to ensure that customers who switch to SCP pay for certain costs related to energy commitments made by PG&amp;E prior to their switch.</i> )
<b>ProFIT</b>	SCP's "Feed in Tariff" program for larger local renewable energy producers
<b>PSPS</b>	Public Safety Power Shutoff - a term used when it may be necessary for PG&E to turn off electricity for public safety when gusty winds and dry conditions, combined with a heightened fire risk, are forecasted
<b>PV</b>	Photovoltaics for making electric energy from sunlight
<b>RA</b>	Resource Adequacy - a required form of capacity for compliance
<b>REC</b>	Renewable Energy Credit - process used to track renewable energy for compliance in California.
<b>SCP</b>	Sonoma Clean Power
<b>TOU</b>	Time of Use, used to refer to rates that differ by time of day and by season

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**DRAFT MEETING MINUTES  
COMMUNITY ADVISORY COMMITTEE MEETING  
THURSDAY, OCTOBER 22, 2020**

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**\*\*\*\*GOVERNOR'S EXECUTIVE ORDER N-25-20\*\*\*\***  
**\*\*\*\*GOVERNOR'S EXECUTIVE ORDER N-29-20\*\*\*\***

**\*\*RE CORONAVIRUS COVID-19\*\***

CONSISTENT WITH THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20 WHICH SUSPEND CERTAIN REQUIREMENTS OF THE BROWN ACT, AND THE ORDER OF THE HEALTH OFFICER OF THE COUNTY OF SONOMA TO SHELTER IN PLACE TO MINIMIZE THE SPREAD OF COVID-19, MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE PARTICIPATED IN THE OCTOBER 22, 2020 MEETING BY TELECONFERENCE.

**I. CALL TO ORDER**

Chair Dowd called the meeting to order at approximately 1:00 p.m.

Committee Members present: Chair Dowd, Vice Chair Baldwin, and Members Brady, Chaban, Fenichel, Mattinson, Morris, Nicholls, Sizemore, and Wells

Staff members present: Geof Syphers, Chief Executive Officer, and Michael Koszalka, Chief Operating Officer

**II. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA**

Public comment: Ben Peters spoke on equity issues in relation to SCP programs.

**III. COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR**

1. Approve September 17, 2020 Draft Community Advisory Committee Meeting Minutes
2. Recommend to the Board of Directors to Ratify Emergency Consumer Protections for Natural Disaster(s) in SCP Service Territory
3. Recommend that the Board of Directors Provide Additional Authority to the CEO to Execute Third Amendment to the Contract with TLCD Architecture
4. Recommend that the Board Authorize the CEO to Execute Third Amendment to an Agreement with Your SolarMate

Public comment: Ben Peters spoke on program equity, funding, and priorities, and suggested that enrollees in the SGIP program automatically be enrolled as GridSavvy participants.

Programs Manager Carolyn Glanton described a recent CPUC Proposed Decision that will require SGIP program participants who received funding for electric well pumps to either demonstrate income eligibility or refund any received program funds; she then noted staff efforts to codify GridSavvy program participation for future SGIP enrollees.

Motion to approve the October 22, 2020, Community Advisory Committee Consent Calendar by Vice Chair Baldwin

Second: Member Wells

Motion passed: 9-0-0

*Member Brady was present during Roll Call, but due to technical issues left the meeting at approximately 1:17 p.m.*

#### **IV. COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR**

5. Receive Internal Operations and Monthly Financial Report and Provide Feedback as Appropriate

COO Michael Koszalka introduced the item by noting impacts to SCP from COVID-19; he then stated that electricity sales exceeded projections but were offset by a corresponding increase in the cost of power. CEO Syphers updated the Committee on a proposed Joint Powers Authority that would be comprised of SCP and up to eleven other CCAs for the purposes of procuring large energy contracts or storage contracts. He noted that participation in any procurement contracts with the JPA would be entirely voluntary and would not impede SCP's authority to self-procure. Following this, he outlined a schedule for bringing the JPA item to the Committee for discussion and potential Board approval.

Chair Dowd noted his support for the proposed JPA given that it would not impose any restrictions on the SCP Board of Directors' authority and autonomy; Committee Members Nicholls and Chaban echoed the Chair's comments.

COO Koszalka advised the Committee that following a Request for Offers for Scheduling Services, that the Northern California Power Agency was selected to provide scheduling services on behalf of SCP for the period January 1, 2021- December 31, 2024. Senior Programs Manager Rachel Kuykendall updated the Committee on the CPUC Wildfire and Natural Disaster Resiliency Rebuild program for incentives to help single-family homeowners and multi-family properties impacted by a natural disaster rebuild all-electric in alignment with the state's long-term climate and energy goals. Programs Manager Chad Asay gave a presentation on progress-to-date and design features at the Advanced Energy Center.

Public comment: Ben Peters spoke on the rapid disbursement and depletion of CALeVIP program funds and requested that staff provided greater details on the distribution of program dollars and EV charging locations; he suggested additional funding be provided for CALeVIP waitlist applications and that MCE's "Drive Clean Bay Area" program could serve as an effective model.

In response to an earlier public comment, Vice Chair Baldwin requested that staff prepare a future agenda item to outline the SGIP program structure as a discussion item.

6. Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate

Risk and Regulatory Compliance Officer Carole Hakstian presented on the Power Content Label, which shows the specific energy percentages by product in SCP's power portfolio and is provided to customers on an annual basis. She stated that she will seek a recommendation to the Board for approval of the underlying data in the Power Content Label from the Committee at their next meeting. Director of Regulatory Affairs Neal Reardon updated the Committee on the following subjects: PG&E's Order to Show Cause for Violations in response to PSPS events throughout 2019; the PG&E Energy Resource Recovery Account proceedings; a recent staff presentation to the Wildfire Safety Advisory Board; and a CAISO report on the outages that occurred August 14<sup>th</sup> and 15<sup>th</sup>.

Public comment: None

## **V. COMMITTEE MEMBER ANNOUNCEMENTS**

Chair Dowd stated that he looks forward to a return of in-person meetings and several Committee Members echoed this sentiment.

## **VI. ADJOURN**

Chair Dowd adjourned the meeting at approximately 2:12 p.m.

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## Staff Report - Item 02

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**To:** Sonoma Clean Power Authority Community Advisory Committee

**From:** Erica Torgerson, Director of Customer Service  
Danielle Baker, Senior Customer Care Specialist

**Issue:** Recommend that the Board of Directors Approve an Extension of Customer Service Policy A.6a - 2020 COVID-19 Emergency Consumer Protection Policy

**Date:** November 16, 2020

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### Requested Action:

Recommend to the Board of Directors to approve an extension of Customer Service Policy A.6a - 2020 COVID-19 Emergency Consumer Protection Policy until March 3, 2021 to match the expiration of PG&E's Emergency Consumer Plan.

### Background:

On March 16, 2020 Governor Newsom issued an Executive Order requesting the California Public Utilities Commission (CPUC) to monitor the consumer protections offered by the utilities in response to COVID-19. The CPUC issued a letter to the investor owned utilities, including PG&E, on March 17, 2020 explaining that although COVID-19 has not resulted in the same disruptions or degradations to utility service as the recent wildfires, the utilities should immediately extend applicable protections provided for customers in natural disasters, such as wildfires, to the COVID-19 pandemic. See [CPUC Decision 19-07-015](#). Among other protections, it halted all disconnections for non-payment.

Based on Governor Newsom's Executive Order on March 16th, SCP staff implemented its internal "COVID-19 Emergency Consumer Protection Policy I.13" for its Residential and Non-Residential Customers.

On October 1, 2020, the Board of Directors ratified Customer Service Policy A.6a - 2020 COVID-19 Emergency Consumer Protection Policy. This policy went into effect the day a state of emergency proclamation has been issued by the California Governor Newsom's Office. Protections include the measures and parameters outlined below:

- a. **Late Payment Notice:** SCPA will halt sending Late Payment Notices to eligible customers through December 31, 2020.
- b. **Transfer for Non-Payment:** SCPA will not transfer eligible customers to PG&E service for non-payment through December 31, 2020.
- c. **Pre-Collection Notices:** SCPA will stop sending Pre-Collection Notices to eligible customers through December 31, 2020.
- d. **Collections:** SCPA will halt collection activity for eligible customers through December 31, 2020.

## **Discussion:**

### Investor Owned Utilities (IOUs):

The IOUs' COVID-19 Emergency Consumer Protection Plans are scheduled to end March 3, 2021. SCPA does not know if Governor Newsom will request or the Commission will require the IOUs to extend protections for customers. Some potential scenarios could unfold:

- Nothing happens, the protections are left to expire and the IOUs begin the disconnection process per their tariffs.
- IOU Emergency Consumer Protection Plans are extended.
- The IOUs place bundled and unbundled customers on payment plans, with possible disconnection if the customer fails to keep up on the payment plan.
- IOUs forgive late and outstanding balances for bundled customers and T&D for unbundled customers and recover the forgiven rates in another year - IOUs have guaranteed rate recovery per state law.
  - CalCCA has discussed requesting CCA late and outstanding generation balances are also forgiven and recovered in IOU rates. It is unknown if this plan could get traction with the IOUs or the Commission.
- Some combination of the above.

#### What this means for SCPA:

- Per PG&E Electric Rule 23, residential customer payments are first allocated to “disconnectable” charges. This has been interpreted to mean all PG&E charges, because a customer cannot be disconnected for CCA charges.
  - When PG&E filed its Emergency Consumer Protection Plan for COVID-19, CCAs requested and received approval from the Commission to have residential customer payments be allocated on a pro-rata share (like commercial customers) to ensure CCAs don’t unfairly take the brunt of the risk for non-payment. This temporary rule change expires in March 2021 as well.
- Depending on what happens in March, SCP could be left holding the majority of the non-payment risk for residential customers compared to PG&E because all payments received after that would first be allocated to PG&E’s “disconnectable” charges.

#### Bad Debt Allowance and Aging

- For the previous fiscal year, SCPA used a 0.70% allowance for bad debt compared to revenues, when SCPA completed its annual financial write-off, the 0.70% was accurate. For this fiscal year, SCPA increased its allowance for bad debt to 1.25% due to the global pandemic.
- SCPA has not transferred a customer from SCP service to PG&E service for non-payment since March 2020.
  - Between January 1, 2020 and November 2, 2020, SCPA’s accounts receivable of:
    - 60 - 90 days has increased from \$870 thousand to \$1.295 million.
    - 90 - 120 days has increased from \$569 thousand to \$990 thousand.
    - 120+ days has increased from \$6.374 million to \$9.062 million.
  - These are peaks in SCPA’s history.

#### Considerations:

- By extending payment protections for SCPA customers, it is expected SCPA’s accounts receivable will continue to grow, especially when considering the high customer bills of the winter and holidays.
- Not matching PG&E’s consumer protections until March 2021 could open SCPA to criticism from its customers, the media, the governor’s office, and the Commission.

- Anecdotally, people generally eventually pay their electric bill.
  - Additional stimulus money or an extension of unemployment bonuses could help customers' payoff their balances sooner.

**Fiscal Impact:**

Unknown. By extending payment protections to customers, the risk of not recovering payments increases, however without knowing what the Commission is going to do in March 2021, staff believes continuing protections is the prudent decision.

**Attachments:**

- Redline version of Customer Service Policy A.6a
- Clean version of Customer Service Policy A.6a

## Customer Service Policy A.6a 2020 Covid-19 Emergency Consumer Protection Policy

### Purpose:

On March 16, 2020 Governor Newsom issued an Executive Order requesting the California Public Utilities Commission (CPUC) to monitor the consumer protections offered by the utilities in response to COVID-19. The CPUC issued a letter to the investor owned utilities, including PG&E, on March 17, 2020 explaining that although COVID-19 has not resulted in the same disruptions or degradations to utility service as the recent wildfires, the utilities should immediately extend applicable protections provided for customers in natural disasters, such as wildfires, to the COVID-19 pandemic. See CPUC Decision 19-07-015.

Based on Governor Newsom's Executive Order on March 16th, SCPA implemented its internal "COVID-19 Emergency Consumer Protection Policy I.13" for its Residential and Non-Residential Customers experiencing financial hardship due to the Covid-19 pandemic. This Policy is consistent with and continues the policies set forth in Policy I.13.

### Definitions:

For purposes of this Policy, the following definitions apply:

- a) **Residential Customer<sup>1</sup>:** Class of customers whose dwellings are single-family units, multi-family units, mobile homes or other similar living establishments. A customer who meets the definition of a Residential Customer will be served under a residential rate schedule if 50% or more of the annual energy use on the meter is for residential end-uses. PG&E's tariff eligibility requirements will determine customer eligibility for this rate class.
- b) **Non-Residential Customer<sup>2</sup>:** Small and medium business customers that take service on a commercial, industrial, or agricultural rate. This definition does not include Non-Residential Customers who are on a fixed usage or unmetered usage rate schedule<sup>3</sup>.
- c) **SCPA Service Area:** As defined by SCPA's Joint Powers Agreement<sup>4</sup>.
- d) **Impacted Customers:** Customers that are in located in the area designated by California Governor's Office or the President of the United States as a state of emergency.

### Background:

On March 4, 2020, Governor Newsom declared a statewide emergency due to COVID-19. In response, PG&E suspended disconnections and implemented flexible payment plans for all residential and small business customers.

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<sup>1</sup> PG&E Electric Rule No. 1: Definitions, Sheet 30

<sup>2</sup> PG&E Advice Letter 4014-G/5378-E. Dated Sept. 7, 2018.

<sup>3</sup> PG&E Electric Rule No. 1: Definitions, Sheet 31

<sup>4</sup> Sonoma Clean Power Authority Joint Powers Authority. <https://sonomacleanpower.org/uploads/documents/Third-Amended-JPA-FinalApproved-10-13-16-with-updated-Ex-C.pdf>

**Ratified:** October 1, 2020

**Amended:** XXXX XX, 2020

As adopted, D.19-07-015 requires PG&E to implement the emergency disaster relief program “in the event the Governor of California or a President of the United States declares a state of emergency because a disaster has either resulted in the loss or disruption of the delivery or receipt of utility service and/or resulted in the degradation of the quality of utility service.”

Although COVID-19 has not resulted in the loss or disruption of the delivery or receipt of gas and electrical service and/or in the degradation of the quality of gas and electrical service, SCPA understands that customers may be affected financially, whether diagnosed with the virus or not.

On March 16, 2020 Governor Newsom issued an Executive Order requesting the Commission to monitor the consumer protections offered by the utilities in response to COVID-19. The Commission issued a letter to the investor owned utilities on March 17, 2020 explaining that although COVID-19 has not resulted in the same disruptions or degradations to utility service as the recent wildfires, the utilities should immediately extend applicable protections provided for in D.19-07-015 to Impacted Customers.

Based on Governor Newsom’s Executive Order on March 16th, SCPA implemented its internal “COVID-19 Emergency Consumer Protection Policy I.13” for its Residential and Non-Residential Customers experiencing financial hardship during the COVID-19 pandemic.

#### **Eligibility for COVID-19 Emergency Consumer Protection Plan:**

Due to potential financial hardship from COVID-19, a customer will be eligible for SCPA’s 2020 Covid-19 Emergency Consumer Protection Plan if the following criteria has been met:

- a. A state of emergency proclamation has been issued by the California Governor’s Office or the President of the United States due to the health emergency in SCPA’s Service Territory; and
- b. The customer is a Residential Customer or Non-Residential Customer of SCPA.

#### **2020 COVID-19 Emergency Consumer Protection Plan:**

SCPA’s Emergency Consumer Protection Plan goes into effect the day a state of emergency proclamation has been issued by the California Governor’s Office or the President of the United States due to a disaster in SCPA’s Service Territory and includes the measures and parameters outlined below:

- a. **Late Payment Notice:** SCPA will halt sending Late Payment Notices to eligible customers through ~~December 31, 2020~~[March 3, 2021](#).
- b. **Drop for Non-Payment:** SCPA will not drop eligible customers through [March 3, 2021](#)~~December 31, 2020~~.
- c. **Pre-Collection Notices:** SCPA will stop sending Pre-Collection Notices to eligible customers through [March 3, 2021](#)~~December 31, 2020~~.

- a) **Collections:** SCPA will halt collection activity for eligible customers through [March 3, 2021](#)~~December 31, 2020~~.

SCPA's Board of Directors may change or extend these measures at its sole discretion.

## Customer Service Policy A.6a 2020 Covid-19 Emergency Consumer Protection Policy

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On March 16, 2020 Governor Newsom issued an Executive Order requesting the California Public Utilities Commission (CPUC) to monitor the consumer protections offered by the utilities in response to COVID-19. The CPUC issued a letter to the investor owned utilities, including PG&E, on March 17, 2020 explaining that although COVID-19 has not resulted in the same disruptions or degradations to utility service as the recent wildfires, the utilities should immediately extend applicable protections provided for customers in natural disasters, such as wildfires, to the COVID-19 pandemic. See CPUC Decision 19-07-015.

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- c) **SCPA Service Area**: As defined by SCPA's Joint Powers Agreement<sup>4</sup>.
- d) **Impacted Customers**: Customers that are in located in the area designated by California Governor's Office or the President of the United States as a state of emergency.

### Background:

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<sup>4</sup> Sonoma Clean Power Authority Joint Powers Authority. <https://sonomacleanpower.org/uploads/documents/Third-Amended-JPA-FinalApproved-10-13-16-with-updated-Ex-C.pdf>

Ratified: October 1, 2020



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- c. **Pre-Collection Notices:** SCPA will stop sending Pre-Collection Notices to eligible customers through December 31, 2020.

- a) **Collections:** SCPA will halt collection activity for eligible customers through December 31, 2020.

SCPA's Board of Directors may change or extend these measures at its sole discretion.



## Staff Report - Item 03

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**To: Sonoma Clean Power Authority Community Advisory Committee**

**From: Cordel Stillman, Director of Programs**

**Issue: Recommend that the Board of Directors Authorize the Chief Executive Officer execute an agreement with Ibex Enterprises dba RDI, Resource Design Interiors to provide furniture for the SCP Headquarters Building in the amount of \$268,209.82**

**Date: November 16, 2020**

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### Recommendation

Staff are requesting that the Committee recommend that the Board of Directors authorize the CEO to enter into an agreement with Ibex Enterprises dba RDI, Resource Design Interiors to provide and install the furniture needed to complete the SCP Headquarters Building. This agreement is in the amount of \$268,209.82.

### Background

SCP has been renovating a building at 431 E Street in Santa Rosa to be used as its Headquarters Building. One of the last stages of the renovation will be the installation of cubicles, furniture, and other ancillary items. Once the furniture is installed it will only be a short time before the building can be occupied.

### Discussion

SCP staff worked extensively with the architect (EHDD) on the selection of furniture to build out the SCP Headquarters. Staff made a conscious effort to re-use as much of the existing furniture from the current office as possible (personal desk chairs, Board room furniture, etc.) The remaining furniture needed (including cubicles) was solicited using a Request for Proposals (RFP). The RFP was issued on October 12, 2020 and responses were received on November 3, 2020. Only one proposal was received and it was reviewed by SCP staff and EHDD. Ibex Enterprises dba RDI, Resource Design Interiors was selected to provide the furniture because their proposal met the experience and price requirements.

**Fiscal Impact**

There are no new fiscal impacts in recommending that this agreement be approved. Funds for the acquisition of furniture for the SCP Headquarters Building were anticipated in the FY 20-21 budget.

**Attachments**

- Attachment A - Purchase Agreement for Furniture at the SCP Headquarters Building



## Attachment A

50 Santa Rosa Ave., 5<sup>th</sup> Floor  
Santa Rosa, CA 95404

## Purchase Order

*Dispatched via Email*

P.O. # **35126**

Order Date: Dec. 3, 2020

SCP Contact: Cordel Stillman

Payment Terms: Net 30

Freight Terms: FOB Destination

Liquidated Damages

Applicable (Per Day): \$500

Vendor Name:	Resource Design Interiors
Address:	350 Brannan St. 1 <sup>st</sup> Floor
	San Francisco, CA 94107
Email:	Domenica.sheets@rdi-sf.com
VENDOR CONTACT:	Domenica Sheets
Authorized Subcontractors (if Any):	All Modular Systems

Ship To:	Sonoma Clean Power
(Designated Location)	431 E Street
	Santa Rosa Ca, 95404
SCP CONTACT:	Cordel Stillman
	<a href="mailto:cstillman@sonomacleanpower.org">cstillman@sonomacleanpower.org</a>

SHIPPING SERVICE	SHIPPING METHOD	DELIVERY DATE
	Freight Trucks	May 2021 Date to be confirmed with Sonoma Clean Power

ANY ADDITIONAL ITEMS OUTSIDE OF FURNITURE COST SUMMARY	QUANTITY	UNIT PRICE

SCP REPRESENTATIVE SIGNATURE <i>Ann Pantera</i>	Subtotal	\$196,779.68
	Freight	\$3,398.86
	Delivery, Receiving, & Inspection	\$42,333.33
	Tax 9%	\$21,826.07
	RDI Design & Project Management	\$3,871.88
VENDOR SIGNATURE	Grand Total	\$268,209.82

## SONOMA CLEAN POWER AUTHORITY PURCHASE ORDER TERMS AND CONDITIONS

1. Acceptance. By accepting this PO ("PO"), Vendor (as identified on the face of the PO) agrees to comply with Sonoma Clean Power Authority's ("SCP") terms and conditions set forth herein. Vendor shall sell and deliver the goods, materials, and services ("Goods and Services") described at the Price(s) set forth in this PO to the Designated Location set forth on the PO. Written acceptance or shipment of all or any portion of the Goods, and the performance of all or any portion of the Services, covered by this PO shall constitute unqualified acceptance of all its terms and conditions.

2. Time of Delivery. Time is of the essence in the performance and/or delivery of services and/or items procured by this PO. Vendor shall deliver all Goods and Services by the date listed to the location specified on this PO. Failure to deliver on time shall be grounds for termination of this PO and/or including liquidated damages as agreed to in the PO.

3. Acceptance and Payment Terms. Acceptance shall be made when SCP determines the goods or services conform to the Order, or when SCP notifies Seller in writing that it will accept the goods or services despite nonconformity. Unless otherwise stated in the Order, payment terms are Net thirty (30) days. Payment will be scheduled upon complete delivery and acceptance of all goods or services and receipt of an original and one copy of an invoice acceptable to SCP. Vendor's invoice must easily match the unit prices listed on PO and must include the SCP approved PO number. SCP is not exempt from California sales or use tax.

4. Title. All shipments are F.O.B. Destination to the designated locations set forth on the PO. Vendor assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all Goods under this PO. Vendor warrants that any article, material or work is free and clear of all liens and encumbrances whatsoever, and that Vendor has a good and marketable title to same, and Vendor agrees to defend and hold SCP free and harmless against any and all claimants to said article, material or work. As set forth above, title to the materials and supplies purchased hereunder shall pass to the SCP at the F.O.B. Destination at the point designated on the face hereof, subject to the right of SCP to reject upon inspection.

5. Freight Costs. Prices quoted in the PO shall include all freight costs and ownership transfers to SCP at SCP's location. Freight shall be prepaid and added to the invoice with ownership transferring to SCP when delivery is completed to SCP's location. Freight or Shipping charges (separate from handling) as well as tax, if applicable, must be shown on the invoice as a separate line item.

6. Taxes. Unless otherwise provided herein or required by law, Vendor assumes exclusive liability for, and shall pay before delinquency, all sales, use, excise and other taxes, charges or contributions of any kind now or hereafter imposed on or with respect to, or measured by the articles sold or material or work furnished hereunder on the wages, salaries or other remuneration's paid to persons employed in connection with the performance of this PO; and Vendor shall

indemnify and hold harmless SCP from any liability and expense by reason of Vendor's failure to pay such taxes or contributions.

7. Warranty and Quality Inspection. Vendor warrants that all articles, materials and work furnished shall be good quality and free from defects, shall conform to drawings and/or specifications and shall be merchantable quality and fit for the purpose for which purchased, and shall be at all times subject to SCP's inspection; but neither SCP's inspection nor failure to inspect shall relieve Vendor of any obligation hereunder. If, in SCP's opinion, any article, material or work fails to conform to specifications or is otherwise defective, Vendor shall promptly replace same at Vendor's expense. No acceptance or payment by SCP shall constitute a waiver of the foregoing, and nothing herein shall exclude or limit any warranties implied by law. The warranty period shall begin upon acceptance by SCP. As a minimum, all goods, equipment and services shall be warranted to operate satisfactorily in accordance with the requirements of these specifications, representations of the Vendor and the published specifications of the manufacturer(s) for a period of at least one (1) year. If repairs cannot be made at SCP's location, Vendor shall transport/ship the equipment to a repair facility. All repairs must be completed, and the equipment returned to SCP within seventy-two (72) hours of a call for service. If the Vendor fails to have the equipment repaired within seventy-two (72) hours, the Vendor shall provide an equal "loaner" piece of equipment until SCP's equipment is returned in operating condition.

8. Collusion and Financial Interest. The Vendor stipulates that no SCP officer or employee shall be financially interested, either directly or indirectly, in any contract, sale, purchase or lease to which SCP is a party.

9. Assignment or Subcontracting: No performance of this PO or any portion thereof may be assigned or sub-contracted by the Vendor without the express written consent of SCP, which may be withheld for any reason. Any attempt by the Vendor to assign or sub-contract any performance of this PO without the express written consent of the SCP shall be invalid and shall constitute a breach of this PO.

10. Right to Cancel/Termination. With five (5) days advance notice, SCP shall have the right to cancel this PO at any time. SCP will only pay for any Goods or Services ordered and accepted by SCP. Any payments made in advance will be returned to SCP on a prorated basis with SCP only paying for those Goods or Services actually provided.

11. Compliance with Law. Vendor warrants that it will comply with all federal, state, and local laws, ordinances, rules and regulations applicable to its performance under this PO. Vendor shall procure all permits and licenses, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. All equipment and materials shall comply with all Federal, State and local safety rules and regulations including all applicable federal and state OSHA requirements.

12. Licenses and Permits. The Vendor and all of his employees or agents shall secure and maintain in force such licenses and permits as are required by law, in connection with furnishing of materials, articles, or services herein listed. All operation & materials shall be in accordance with the law.

13. Governing Law; Venue. This PO shall be deemed to be made in the County of Sonoma, State of California and shall in all respects be construed and governed by the laws of the State of California.

14. Indemnification. Vendor agrees to accept all responsibility for loss or damage to any person or entity, including the SCP, and to indemnify, hold harmless, and release the SCP, its officers, agents, and employees, from and against any actions, claims, damages, liabilities, disabilities, or expenses, that may be asserted by any person or entity, including Vendor, that arise out of, pertain to, or relate to Vendor's performance of or obligations or omissions under the PO. Vendor agrees to provide a complete defense for any claim or action brought against the SCP based upon a claim relating to Vendor's performance or obligations or omissions under the PO. Vendor's obligations under this Section apply whether or not there is concurrent negligence on the SCP's part, but to the extent required by law, excluding liability due to the SCP's conduct, specifically SCP's sole negligence, active negligence or willful misconduct. SCP shall have the right to select its legal counsel at Vendor's expense, subject to Vendor's approval, which shall not be unreasonably withheld. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person indemnified in this section on indemnity. Vendor's obligation to indemnify SCP shall not be restricted to insurance proceeds.

15. Insurance. Vendor shall maintain Worker's Compensation insurance as required by statute and Commercial General Liability insurance adequate to protect Vendor and Vendor's obligations hereunder to protect SCP from claims due to personal injury, including death, and damage to property, which may arise from operation under this PO. The Vendor may be required to file with SCP certificates of such insurance. Failure to furnish such evidence, if required, may be considered a material default of the Vendor.

16. Entire Agreement. This PO contains the entire understanding between the parties with respect to the subject matter herein. There are no representations,

agreements or understandings (whether oral or written) between or among the parties relating to the subject matter of this Agreement which are not fully expressed herein.

17. Exhibits. If the attachments or exhibits to this PO, if any, are inconsistent with this PO, this PO shall control. In the event of any conflict between the attachments or exhibits to this PO, the Special Provisions exhibit (if attached by SCP) shall control.

18. Change Orders. SCP has the right to revoke, amend or modify this PO at any time. Any change to the PO must be completed with a written Change Order in advance. If SCP does not receive a response within (10) days of the date of SCP's written change order, or the Vendor ships or performs based on the Change Order, the Change Order will be deemed accepted by Vendor, without any price or other adjustments. Substitutions, changes and prices other than specified must be authorized in writing by SCP.

19. Additional or Inconsistent Terms. Any term or condition set forth in any acknowledgment form provided to SCP by Vendor which is in any way different from, inconsistent with, or in addition to the terms and conditions of the PO will not become a part of the PO nor be binding on SCP. If Vendor objects to any term or condition set forth in the PO, this objection must be in writing and received by SCP prior to Vendor's delivery of product(s) or services. Notwithstanding such notice, waiver or modification of any term or condition shall occur only if agreed in writing by SCP.

20. Default. If the Vendor willfully violates any of the conditions or covenants of the PO, including refusal or failure to prosecute the Work or any separable part thereof with diligence and in accordance with the schedule specified by the PO, or if the Vendor should be adjudged a bankrupt, or if Vendor should make a general assignment for the benefit of Vendor's creditors, or if a receiver should be appointed on account of Vendor's insolvency, or the Vendor or any of Vendor's subcontractors should violate any of the provisions of this PO, SCP may serve written notice upon the Vendor of SCP's intention to terminate this PO. This notice of intent to terminate shall contain the reasons for such intention to terminate this PO, and a statement to the effect that the Vendor's right to perform this PO shall cease and terminate upon the expiration of five (5) days unless such violations have ceased and arrangements satisfactory to SCP have been made for correction of said violations.

EXHIBIT A  
to PURCHASE ORDER NO.35126

SPECIAL PROVISIONS

1. Proposers must hold a valid and current California D-34 license and registration with DIR are required for installation of Furniture. California License and DIR registration numbers must be identified in a Proposer's Bid Submittal Documents (Attachment D).
2. SCP will require the successful Vendor to conduct thorough field verification at the AEC site and to notify SCP of any conditions which affect Furniture or installation including clearance, power/ data outlets, wall mounted control devices, ADA access, etc. The successful Vendor must agree to conduct this field verification at no additional cost to SCP.
3. SCP reserves the right to assess liquidated damages at \$500 for each day of delay beyond that deadlines/milestones for Furniture procurement/purchase, delivery or installation set forth in the contract negotiated between SCP and the successful Vendor.
4. The Vendor must coordinate delivery and installation of all Furniture with SCP Programs Manager. Installation shall include spotting, leveling and any and all assembly needed at the site.
5. NO ON-SITE STORAGE IS AVAILABLE TO VENDORS. Storage of items prior to installation is the responsibility of the selected vendor. SCP may, in its sole discretion, make an exception and allow for Vendor storage; however, any such exception must be authorized by SCP in writing, in advance. Vendors should assume no on-site storage is available when making proposals.
6. Vendor must deliver all furniture directly to the Advanced Energy Center at 741 4th St, Santa Rosa, CA 95403 and no other SCP location. Delivery trucks must have their own lift gates. No SCP equipment, i.e. forklifts, etc. will be available for use by the Vendor.
7. Vendor must, in accordance with all applicable laws, dispose of all packing and packing materials or other debris and remove it from the site.
8. Vendor must remove (and transfer to SCP, as applicable) all warranties, manuals, and literature and deliver to SCPs Program Manager.
9. Payment terms are listed in SCPs Standard Contract (see Attachment A).
10. Vendors are required to bid on all furniture and requested quantity as indicated on the Furniture Cost Summary Form (Attachment D2/D3). Bids must include all equipment and administrative costs, storage and delivery charges, and installation costs. Bids not meeting the quantity requested may not be accepted or considered by SCP. Total installation cost indicated on the Furniture Cost Summary Form (Attachment D2/D3) will be used to establish the not-to-exceed amount in SCP's Standard Contract.
11. Proposals for substitutions must be equivalent, as determined in SCP's sole discretion, in regards to materials, construction, quality, fit and finish. A physical sample in any proposed substitute finishes will be required at the time of bid submission along with manufacturer's warranty. ALL proposed substitutions must be clearly indicated on the Bid Furniture Cost Summary Form- Substitutions (Attachment D3).
12. The successful Proposer will be required to submit furnish samples, fabrics and shop drawings for review and approval.
13. The Vendor must follow City of Santa Rosa parking requirements. Vendor may not block fire lanes or entrances with vehicles, except as consistent with applicable law. Vendor agrees to inform itself of applicable parking and coordinate its parking and delivery approach with SCPs Programs Manager.

[END OF EXHIBIT A]



EXHIBIT B  
to PURCHASE ORDER NO.35126

PREVAILING WAGE REQUIREMENTS

1. General. Pursuant to California Labor Code § 1720 *et seq.*, this Project is subject to the prevailing wage requirements applicable to the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the Work, including employer payments for health and welfare, pension, vacation, apprenticeship and similar purposes.
2. Rates. These prevailing rates are on file with SCPA and are available online at <http://www.dir.ca.gov/DLSR>. Each Contractor and Subcontractor must pay no less than the specified rates to all workers employed to work on the Project. The schedule of per diem wages is based upon a working day of eight hours. The rate for holiday and overtime work must be at least time and one-half.
3. Compliance. The Agreement will be subject to compliance monitoring and enforcement by the DIR, under Labor Code § 1771.4.
4. Discrimination Prohibited. Discrimination against any prospective or present employee engaged in the Work on grounds of race, color, ancestry, national origin, ethnicity, religion, sex, sexual orientation, age, disability, or marital status is strictly prohibited. Consultant and its Subconsultants are required to comply with all applicable Laws prohibiting discrimination, including the California Fair Employment and Housing Act (Govt. Code § 12900 *et seq.*), Government Code § 11135, and Labor Code §§ 1735, 1777.5, 1777.6, and 3077.5. This requirement is in addition to those set forth in Section 15 of the Agreement.
5. Labor Code Requirements.
  - 5.1. Eight Hour Day. Pursuant to Labor Code § 1810, eight hours of labor constitute a legal day's work under this Agreement.
  - 5.2. Pursuant to Labor Code § 1813, Consultant will forfeit to SCPA as a penalty, the sum of \$25.00 for each day during which a worker employed by Consultant or any Subconsultant is required or permitted to work more than eight hours in any one calendar day or more than 40 hours per calendar week, except if such workers are paid overtime under Labor Code § 1815.
  - 5.3. Apprentices. Consultant is responsible for compliance with the requirements governing employment and payment of apprentices, as set forth in Labor Code § 1777.5, which is fully incorporated by reference.
  - 5.4. Notices. Pursuant to Labor Code § 1771.4, Consultant is required to post all job site notices prescribed by Laws.
  - 5.5. Prevailing Wages. Each worker performing Work under this Agreement that is covered under Labor Code §§ 1720 or 1720.9, including cleanup at the Project site, must be paid at a rate not less than the prevailing wage as defined in §§ 1771 and 1774 of the Labor Code. The prevailing wage rates are on file with SCPA and available online at <http://www.dir.ca.gov/dlsr>. Consultant must post a copy of the applicable prevailing rates at the Project site.
  - 5.6. Penalties. Pursuant to Labor Code § 1775, Consultant and any Subconsultant will forfeit to SCPA as a penalty up to \$200.00 for each calendar day, or portion a day, for each worker paid less than the applicable prevailing wage rate. Consultant must also pay each worker the difference between the applicable prevailing wage rate and the amount actually paid to that worker.
  - 5.7. Federal Requirements. If this Project is subject to federal prevailing wage requirements in addition to California prevailing wage requirements, Consultant and its Subconsultants are required to pay the higher of the currently applicable state or federal prevailing wage rates.
  - 5.8. Payroll Records. Consultant must comply with the provisions of Labor Code §§ 1776 and 1812 and all implementing regulations, which are fully incorporated by this reference, including

requirements for electronic submission of payroll records to the DIR.

- 5.9. Consultant and Subconsultant Obligations. Consultant and each Subconsultant must keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed in connection with the Services. Each payroll record must contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:
- 5.9.1. The information contained in the payroll record is true and correct; and
- 5.9.2. Consultant or the Subconsultant has complied with the requirements of Labor Code §§ 1771, 1811, and 1815 for any Services performed by its employees on the Project.
- 5.10. Certified Record. A certified copy of an employee's payroll record must be made available for inspection or furnished to the employee or his or her authorized representative on request, to SCPA, to the Division of Labor Standards Enforcement, to the Division of Apprenticeship Standards of the DIR, and as further required by the Labor Code.
- 5.11. Enforcement. Upon notice of noncompliance with Labor Code § 1776, Consultant or Subconsultant has ten (10) days in which to comply with the requirements of this section. If Consultant or Subconsultant fails to do so within the ten (10) day period, Consultant or Subconsultant will forfeit a penalty of \$100.00 per day, or portion a day, for each worker for whom compliance is required, until strict compliance is achieved. Upon request by the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement, these penalties will be withheld from payments then due to Consultant.

[END OF EXHIBIT B]



## **Staff Report - Item 04**

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**To: Sonoma Clean Power Authority Community Advisory Committee**  
**From: Carolyn Glanton, Program Manager**  
**Issue: Receive Overview of Self-Generation Incentive Program (SGIP) Assistance**  
**Date: November 16, 2020**

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### **Recommendation**

This is an informational item. No action is required.

### **Background**

To enable residential customers to strengthen their energy resilience, SCP launched the Self-Generation Incentive Program (SGIP) Assistance Program in April 2020. This program provides incentive payments in advance for battery storage system projects and help to participating contractors with SGIP paperwork and the application process.

On March 5, 2020, on recommendation of the Community Advisory Committee (CAC), the Board delegated authority to the CEO to negotiate, execute, and amend a Professional Services Agreement with YSM for Self-Generation Incentive Program (SGIP) Assistance Processing for an amount not to exceed \$100,000. YSM's scope of work includes working with installers on submitting SGIP applications and processing the incentives, which can be lengthy, complicated, and involve significant paperwork. The Board also approved a revolving fund of \$650,000 to provide upfront SGIP incentives to customers.

On April 29, 2020, a first amendment to the YSM agreement was executed, which updated the scope of work to clarify program design changes. It also amended the fee schedule, adding a new fee for processing Equity Resiliency applications, a new SGIP category.

On May 7, 2020, the Board approved an additional budget request in the amount of \$750,000 for the SGIP Assistance Program, on recommendation of the CAC, bringing the total revolving fund amount to \$1,400,000.

On June 4, 2020, the Board approved \$750,000 additional budget for the SGIP Assistance Program revolving fund for FY20/21, on recommendation of the CAC. The revolving fund amount is now \$2,150,000.

On September 3, 2020, a second amendment to the YSM agreement was executed, which updated the fee schedule for processing Equity Resiliency applications. The fee was increased from \$875/application to \$1,000/application because of many new application requirements and elements that were added to the Statewide program application process.

On November 5, the Board approved a third amendment to the YSM agreement added \$150,000 to the not-to-exceed agreement amount for processing SGIP applications and extend the agreement term through December 31, 2021, on recommendation of the CAC.

#### *SCP Assistance Program Participation*

SCP's revolving fund of \$2,150,000 for upfront incentives became fully allocated on September 17, 2020. Currently 104 battery storage projects have been provided upfront incentives. Of those 104 projects submitted through SCP's SGIP Assistance Program, 102 projects were for Equity Resiliency incentives (which covers up to 100% of the battery costs), two projects were for General Market Large-Scale Storage. The average incentive amount requested is approximately \$21,000. The SCP revolving fund that provides the upfront incentives to customers will be replenished once SCP receives SGIP incentives from PG&E.

### **Discussion**

As the Community Advisory Committee requested, staff is providing additional information on the SGIP Assistance Program and program participation to date.

SCP created the Assistance Program to address several known issues with SGIP and encourage local battery storage installations for customers affected by public safety power shutoff (PSPS) events. The California Public Utility Commission's (CPUC) SGIP provides incentives to support existing, new, and emerging distributed energy resources. SGIP, is administered locally by PG&E and provides rebates for qualifying

distributed energy systems, including battery storage systems, installed on the customer's side of the utility meter.

### *Statewide Funding*

In January 2020, the CPUC authorized funding of more than \$1 billion Statewide through 2024 for SGIP. \$512 million of the new funding established a new category, Equity Resiliency, which prioritized communities living in high fire-threat areas, communities that have experienced two or more utility PSPS events, as well as low income and medically vulnerable customers. PG&E was allocated over \$226 million for Equity Resiliency projects in their territory.

### *Rebate Categories*

Any residential customer of PG&E is eligible for a General Market SGIP rebate. In addition to this General Market rebate, there are two additional categories of higher SGIP rebates for residential customers: Equity and Equity Resiliency. While, the costs of energy storage systems vary depending on the site and technology, the CPUC set the incentive amounts of \$1.00/watt-hour and \$0.85/watt-hour to fund most, if not all, of the costs associated with installing an average energy storage system for customers' homes. Eligibility criteria for Equity and Equity Resiliency can be found in the CPUC SGIP brochure listed under attachments.

Figure 1 Incentive Amounts for PG&E Territory as of November 10, 2020

	Small Residential Storage	Large-Scale Storage
<b>General Market</b>	\$0.20/watt-hour \$200/kilowatt-hour	\$0.35/watt-hour \$350/kilowatt-hour  \$0.25/watt-hour if applying for the Federal Investment Tax Credit (ITC) \$250/kilowatt-hour if applying for the ITC
<b>Equity</b>	Residential Storage Equity <b>WAITLIST</b>	
	\$0.85/watt-hour \$850/kilowatt-hour	
<b>Equity Resiliency</b>	Residential and Non-Residential <b>WAITLIST</b>	
	\$1.00/watt-hour \$1,000/kilowatt-hour	

### *SCP Assistance and Equity*

Though the benefit of adding battery storage to solar photovoltaic (PV) systems are clear, SCP recognized the up-front investment can be cost prohibitive and launched the SGIP Assistance Program. To increase equity of SCP customer's participation in SGIP, the SCP Assistance Program was created to provide SGIP incentive payments in advance, reducing SCP customer out-of-pocket costs and helping homeowners receive their incentives without delay. The Assistance Program also helps participating contractors with SGIP paperwork and the application process at no extra cost. Previously, contractors had been charging a fee to complete the arduous application. Removing this fee helps additional low-income and fixed income customers to participate in the program.

### *SGIP Equity and Equity Resiliency Funds*

Equity and Equity Resiliency budget categories were launched Statewide on May 1, 2020. The SCP SGIP Assistance Program launched at the same time, accepting Equity, Equity Resiliency and General Market Large-Scale Storage projects. SCP communicated to battery installers that equity and equity resiliency projects were the priority to submit.

In addition to several technical issues with the rollout, the available SGIP Equity and Equity Resiliency budgets for PG&E territory were expended quickly and became fully subscribed by May 12, 2020.

Additional funding from Senate Bill 700 was added to Equity Resiliency budgets on July 20, 2020. Projects on the waitlist were selected in the order they were submitted. After projects on the waitlist were funded, remaining funds were made available to new applications. This additional funding for Equity Resiliency was fully expended on September 16, 2020.

On October 22, 2020, the CPUC authorized moving than \$108 million to the equity program from SGIP's large-scale storage budget. Money allotted to PG&E's territory will fund projects on the waitlist and any remaining funds will be made available to new applications.

Also, on October 22, 2020, the CPUC revised D.20-01-021 and clarified eligibility requirements for electric pump well projects applying for Equity Resiliency. The Decision now "requires equity resiliency budget electric pump well customers to also demonstrate a single family household income no greater than 80% of area median income or that a multi-family building is either located in a disadvantaged community

or demonstrates that at least 80% of building households have incomes at or below 60% of area median income". These revisions to this decision apply to all equity resiliency budget applications submitted after August 17, 2020 that have not yet been issued a "confirmed incentive reservation" as of the date of Commission adoption of this decision.

The Decision stemmed from the fact that customers relying on electric well pumps for their water supply and applying for Equity Resiliency rebates have been much more numerous than expected. The CPUC wanted to ensure that the limited available funding is directed to customers with the greatest need (including medically vulnerable residents and critical facilities).

As electric pump well projects are suspended and disqualified if customers do not meet the new income requirements, projects on the waitlist will be selected for funding. It is not known how many projects or total incentive dollars may be released based on these changes.

#### *SCP Assistance Program Participation*

SCP's revolving fund of \$2,150,000 for upfront incentives became fully allocated on September 17, 2020. Currently 104 battery storage projects have been provided upfront incentives. Of those 104 projects submitted through SCP's SGIP Assistance Program, 102 projects were for Equity Resiliency incentives (which covers up to 100% of the battery costs), two projects were for General Market Large-Scale Storage. The average incentive amount requested is approximately \$21,000. The SCP revolving fund that provides the upfront incentives to customers will be replenished once SCP receives SGIP incentives from PG&E.

Figure 2 Number of SGIP Assistance Applications

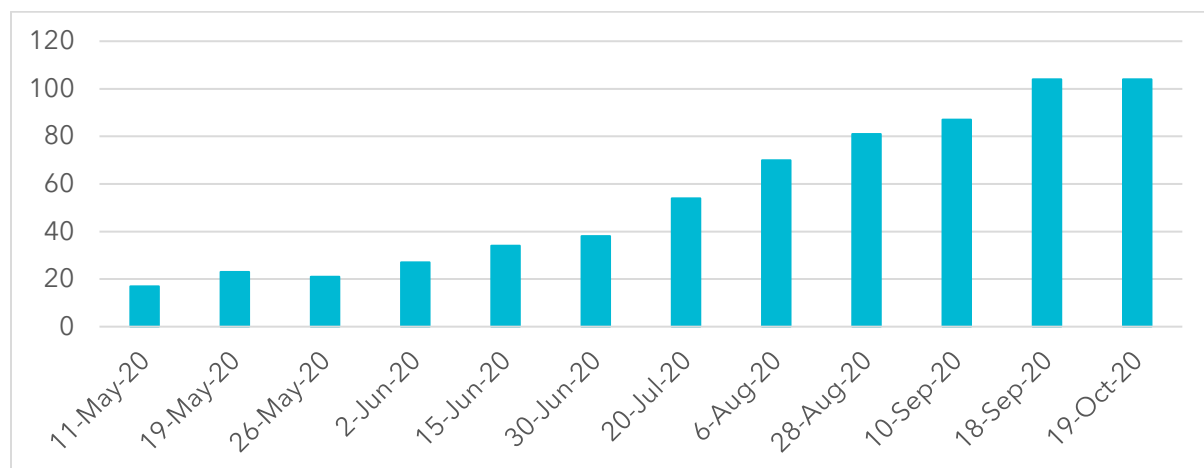
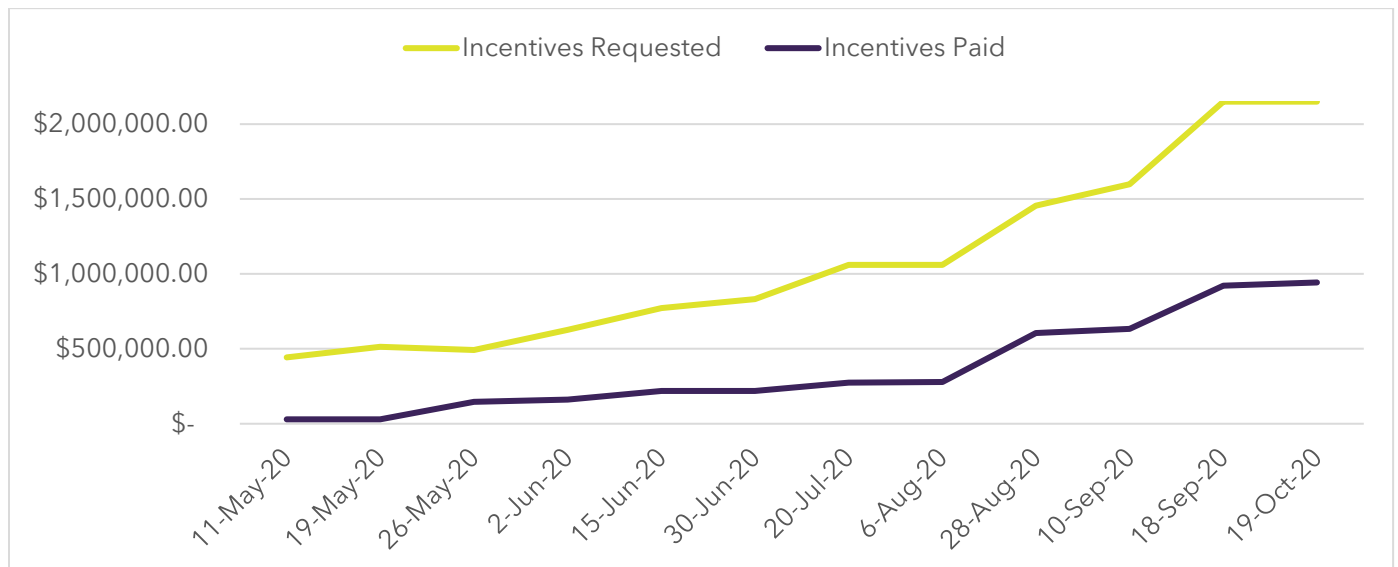


Figure 3 SCP SGIP Assistance Incentives



### Fiscal Impact

No additional fiscal impact.

### Attachments

[SGIP Brochure for Residential Customers](#)





## **Staff Report - Item 05**

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**To:** Sonoma Clean Power Authority Community Advisory Committee

**From:** Carole Hakstian, Risk and Regulatory Compliance Officer

**Issue:** Recommend Board Approval of a Resolution Attesting to the Accuracy of SCP's 2019 Power Source Disclosure Annual Report for CleanStart and EverGreen Products

**Date:** November 16, 2020

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### **Recommendation:**

Staff request the Committee to recommend the Board of Directors approve a resolution approving the 2019 Power Source Disclosure ("PSD") Annual Report for SCP's CleanStart and EverGreen products and attest to its veracity. The resolution is attached to this staff report as Attachment A and the 2019 Power Source Disclosure Annual Reports are shown as Exhibit 1 and Exhibit 2.

### **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" that are delivered to their respective customers each year. SCP submitted its 2019 Annual Power Source Disclosure Annual Reports (Exhibit 1 and Exhibit 2) on July 14, 2020, which includes specified power purchases, resales, and self-consumption of energy by fuel type. Information from SCP's 2019 Annual Power Source Disclosure Annual Report is included into SCP's annual Power Content Label. The Power Content Label is mailed to SCP customers and posted on both SCP's and the California Energy Commission's ("CEC") websites.

Beginning in 2017, the CEC required retail sellers of electricity to provide the CEC with an independent audit report verifying the specific purchases, resales and self-

consumption of energy by fuel type for each electricity product offered to customers. However, if the retail supplier is a public agency offering more than one product, then the agency's Board was permitted to approve the accuracy of one of its product's PSD Annual Reports. In the past, SCP engaged an independent auditor to verify the accuracy of the data reported in the Annual Report submitted to the CEC for the EverGreen product and SCP's Board attested to the veracity of the Annual Report for the CleanStart product. In May 2020, the CEC modified its auditing and verification regulations governing the PSD Program. Beginning with data reported in 2019, the CEC now allows an agency's Board to attest to the veracity of each product's Annual Report and Power Content Label.

### **Discussion:**

Staff will recommend that the Board adopt a resolution approving SCP's 2019 PSD Annual Report for SCP's CleanStart and EverGreen products and attest to the veracity of the data in the Annual Reports. Adoption of the attached resolution as recommended by staff enables SCP to comply with the CEC regulation implementing SB 1305 (California Code of Regulations, Title 20, Article 5, Sections 1390 to 1394).

During the 2019 calendar year, SCP provided CleanStart customers with an energy supply including 50% RPS eligible renewable energy from geothermal, solar and wind facilities. For EverGreen customers, SCP provided 100% renewable energy to participating customers including 74% purchased from geothermal sources and 26% purchased from solar sources. While preparing SCP's 2019 PSD Annual Reports for CleanStart and EverGreen, staff performed a detailed review of all power purchases completed for the 2019 calendar year. This review included an inventory of all renewable energy transfers within SCP's Western Renewable Energy Generation Information System (WREGIS) accounts and pertinent transaction records. Based on staff's review of available data, the information presented in the PSD Annual Reports is determined to be accurate.

### **Fiscal Impact**

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

### **Attachments**

- Attachment A – Resolution Approving SCP 2019 Power Source Disclosure Annual Report for CleanStart and EverGreen Products

- Exhibit 1 -SCP 2019 Power Source Disclosure Annual Report for CleanStart
- Exhibit 2 -SCP 2019 Power Source Disclosure Annual Report for EverGreen

**Attachment A**

[NOT YET ADOPTED]

**RESOLUTION NO. 2020 - XX**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA CLEAN POWER  
AUTHORITY APPROVING AND ATTESTING TO THE VERACITY OF THE 2019  
POWER SOURCE DISCLOSURE ANNUAL REPORT FOR SONOMA CLEAN POWER'S  
CLEANSTART PRODUCT AND EVERGREEN PRODUCT**

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 a Power Source Disclosure Report to the California Energy Commission.

WHEREAS, Sonoma Clean Power Authority is a retail supplier of electricity as defined by the Power Source Disclosure Program (Ca. Code of Regs., Title 20, Section 1391(r)).

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 each product's 2019 Power Source Disclosure Annual Report, attached hereto as Exhibit 1 and Exhibit 2.

WHEREAS, the Board held a public meeting on December 3, 2020 to consider the Power Source Disclosure Annual Report for the CleanStart Product and the EverGreen Product;

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 2019 Power Source Disclosure Annual Report for Sonoma Clean Power Authority's CleanStart Product (Exhibit 1) and Sonoma Clean Power Authority's EverGreen Product (Exhibit 2).

[SIGNATURES APPEAR ON FOLLOWING PAGE]

DULY ADOPTED this 3<sup>rd</sup> day of December, 2020

JURISDICTION	NAME	AYE	NO	ABSTAIN/ ABSENT
Cloverdale	Director Bagby			
Cotati	Director Landman			
County of Mendocino	Director Gjerde			
County of Sonoma	Director Hopkins			
Petaluma	Director King			
Point Arena	Director Torrez			
Rohnert Park	Director Belforte			
Santa Rosa	Director Tibbetts			
Sebastopol	Director Slayter			
Sonoma	Director Harrington			
Windsor	Director Okrepkie			

*In alphabetical order by jurisdiction*

---

Chair, Sonoma Clean Power Authority

Attest:

---

Clerk of the Board

APPROVED AS TO FORM:

---

General Counsel,  
Sonoma Clean Power Authority



**ANNUAL REPORT TO THE CALIFORNIA ENERGY COMMISSION: Power Source Disclosure**  
**For the Year Ending December 31, 2019**

Retail suppliers are required to use the posted template and are not allowed to make edits to this format. Please complete all requested information.

## GENERAL INSTRUCTIONS

RETAIL SUPPLIER NAME
<b>Sonoma Clean Power Authority</b>

ELECTRICITY PORTFOLIO NAME
CleanStart

CONTACT INFORMATION
---------------------

<b>Name</b>	Deb Emerson
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<b>Title</b>	Director of Power Services
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<b>Mailing Address</b>	50 Santa Rosa Ave, 5th Floor
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<b>City, State, Zip</b>	Santa Rosa, CA 95404
-------------------------	----------------------

<b>Phone</b>	(707) 978-3469
--------------	----------------

<b>E-mail</b>	<a href="mailto:demerson@sonomacleanpower.org">demerson@sonomacleanpower.org</a>
---------------	--

<b>Website URL for PCL Posting</b>	<a href="https://sonomacleanpower.org/">https://sonomacleanpower.org/</a>
------------------------------------	---

Submit the Annual Report and signed Attestation in PDF format with the Excel version of the Annual Report to [PSDprogram@energy.ca.gov](mailto:PSDprogram@energy.ca.gov). Remember to complete the Retail Supplier Name, Electricity Portfolio Name, and contact information above, and submit separate reports and attestations for each additional portfolio if multiple were offered in the previous year.

**NOTE:** Information submitted in this report is not automatically held confidential. If your company wishes the information submitted to be considered confidential an authorized representative must submit an application for confidential designation (CEC-13), which can be found on the California Energy Commissions's website at <https://www.energy.ca.gov/about/divisions-and-offices/chief-counsels-office>.

If you have questions, contact Power Source Disclosure (PSD) staff at [PSDprogram@energy.ca.gov](mailto:PSDprogram@energy.ca.gov) or (916) 654-3954.



## INTRODUCTION

Retail suppliers are required to submit separate Annual Reports for each electricity portfolio offered to California retail consumers in the previous calendar year. Enter the Retail Supplier Name and Electricity Portfolio Name at the top of Schedule 1, Schedule 2, Schedule 3, and the Attestation.

A complete Annual Report includes the following tabs:

PSD Intro
Instructions
Schedule 1 - Procurements and Retail Sales
Schedule 2 - Retired Unbundled Renewable Energy Credits (RECs)
Schedule 3 - Annual Power Content Label Data
Asset-Controlling Supplier (ACS) Procurement Calculator
PSD Attestation

## INSTRUCTIONS

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**Specified Purchases:** A Specified Purchase refers to a transaction in which electricity is traceable to specific generating facilities by any auditable contract trail or equivalent, such as a tradable commodity system, that provides commercial verification that the electricity claimed has been sold once and only once to retail consumers. For specified purchases, include the following information for each line item:

**Facility Name** - Provide the name used to identify the facility.

**Fuel Type** - Provide the resource type (solar, natural gas, etc.) that this facility uses to generate electricity.

**Location** - Provide the state or province in which the facility is located.

**Identification Numbers** - Provide all applicable identification numbers from the Western Renewable Energy Generation Information System (WREGIS), the Energy Information Agency (EIA), and the California Renewables Portfolio Standard (RPS).

**Gross Megawatt Hours Procured** - Provide the quantity of electricity procured in MWh from the generating facility.

**Megawatt Hours Resold** - Provide the quantity of electricity resold at wholesale.

**Net Megawatt Hours Procured** - The Schedule automatically calculates the quantity of electricity procured minus resold electricity.

**Unspecified Power:** Unspecified Power refers to electricity that is not traceable to specific generation sources by any auditable contract trail or equivalent, or to power purchases from a transaction that expressly transferred energy only and not the RECs associated from a facility. Do not enter procurements of unspecified power. The schedule will calculate unspecified power procurements automatically.

### Schedule 2: Retired Unbundled RECs

Complete this schedule by entering information about unbundled REC retirements in the previous calendar year. Unbundled RECs will be automatically displayed on Schedule 3 as a percentage of retail sales.

### Schedule 3: Annual Power Content Label Data



This schedule is provided as an automated worksheet that uses the information from Schedule 1 to calculate the power content, or resource mix, for each electricity portfolio. The percentages calculated on this worksheet should be used for your Power Content Label.

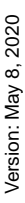
### **ACS Resource Mix Calculator**

Retail suppliers may report specified purchases from ACS system power if the ACS provided its fuel mix of its specified system mix to the Energy Commission. Use the calculator to determine the resource-specific procurement quantities, and transfer them to Schedule 1.

### **Attestation**

This template provides the attestation that must be submitted with the Annual Report to the Energy Commission, stating that the information contained in the applicable schedules is correct and that the power has been sold once and only once to retail consumers. This attestation must be included in the package that is transmitted to the Energy Commission. Please provide the complete Annual Report in Excel format and the complete Annual Report with signed attestation in PDF format as well.

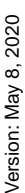




Instructions: Enter information about power procurements underlying this electricity portfolio for which your company is filing the Annual Report. Insert additional rows as needed. All fields in white should be filled out. Fields in gray auto-populate as needed and should not be filled out. For firm-and-shaped imports, provide the EIA ID of the substitute power, not the generator ID of the RECs. For EIA IDs for unspecified power or specified system mixes from asset-controlling suppliers, enter "unspecified", "BPA", "Powerex", or "Tacoma" as applicable. For specified procurements of ACS power, use the ACS Procurement Calculator to calculate the resource breakdown comprising the ACS system mix. Procurements of unspecified power must not be entered as line items below; unspecified power will be calculated automatically in cell L9. Unbundled RECs must not be entered on Schedule 1; these products must be entered on Schedule 2. At the bottom portion of the schedule, provide the other electricity end-uses that are not retail sales including, but not limited to transmission and distribution losses or municipal street lighting. Amounts should be in megawatt-hours.

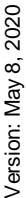
## DIRECTLY DELIVERED RENEWABLES

[illegible]

[illegible]



END USES OTHER THAN RETAIL SALES	MWh



**INSTRUCTIONS:** Enter information about retired unbundled RECs associated with this electricity portfolio. Insert additional rows as needed. All fields in white should be filled out. Fields in grey auto-populate as needed and should not be filled out.

44 of 91



**ANNUAL REPORT TO THE CALIFORNIA ENERGY COMMISSION: Power Source**  
**SCHEDULE 3: ANNUAL POWER CONTENT LABEL DATA**  
**for the year ending December 31, 2019**  
**Sonoma Clean Power Authority**  
**CleanStart**

Instructions: No data input is needed on this schedule. Retail suppliers should use these auto-populated calculations to fill out their Power Content Labels.

	Adjusted Net Procured (MWh)	Percent of Total Retail Sales
<b>Renewable Procurements</b>	1,177,912	50.3%
Biomass & Biowaste	-	0.0%
Geothermal	410,217	17.5%
Eligible Hydroelectric	-	0.0%
Solar	180,812	7.7%
Wind	586,883	25.1%
Coal	-	0.0%
Large Hydroelectric	1,080,782	46.2%
Natural gas	-	0.0%
Nuclear	7,131	0.3%
Other	-	0.0%
Unspecified Power	74,724	3.2%
<b>Total</b>	<b>2,340,549</b>	<b>100.0%</b>
<b>Total Retail Sales (MWh)</b>		<b>2,340,549</b>
<b>Percentage of Retail Sales Covered by Retired Unbundled RECs</b>		<b>0.0%</b>



### ASSET CONTROLLING SUPPLIER RESOURCE MIX CALCULATOR

Instructions: Enter total net specified procurement of ACS system resources into cell A8, A23, or A38. In Column E, the calculator will determine quantities of resource-specific net procurement for entry on Schedule 1.

Powerex				
Net MWH Procured	N/A	Resource Type	Resource Mix Factors	Resource-Specific Procurements from ACS
		Biomass & biowaste		-
		Geothermal		-
		Eligible hydroelectric		-
		Solar		-
		Wind		-
		Coal		-
		Large hydroelectric	0.915	-
		Natural gas	0.013	-
		Nuclear	0.006	-
		Other	0.032	-
		Unspecified Power	0.034	-

Bonneville Power Administration				
Net MWH Procured	N/A	Resource Type	Resource Mix Factors	Resource-Specific Procurements from ACS
64,826		Biomass & biowaste		-
		Geothermal		-
		Eligible hydroelectric		-
		Solar		-
		Wind		-
		Coal		-
		Large hydroelectric	0.85	55,102
		Natural gas		-
		Nuclear	0.11	7,131
		Other		-
		Unspecified Power	0.04	2,593

Tacoma Power				
Net MWH Procured	N/A	Resource Type	Resource Mix Factors	Resource-Specific Procurements from ACS
		Biomass & biowaste		-
		Geothermal		-
		Eligible hydroelectric		-
		Solar		-
		Wind		-
		Coal		-
		Large hydroelectric	0.896	-
		Natural gas		-
		Nuclear	0.064	-
		Other		-
		Unspecified Power	0.04	-



**ANNUAL REPORT TO THE CALIFORNIA ENERGY COMMISSION: Power Source Disclosure  
ATTESTATION FORM  
for the year ending December 31, 2019  
Sonoma Clean Power Authority  
CleanStart**

I, Geof Syphers, Chief Executive Officer, declare under penalty of perjury, that the statements contained in this report including Schedules 1, 2, and 3 are true and correct and that I, as an authorized agent of Sonoma Clean Power Authority, have authority to submit this report on the company's behalf. I further declare that the megawatt-hours claimed as specified purchases as shown in these Schedules were, to the best of my knowledge, sold once and only once to retail customers.

Name: Geof Syphers

Representing (Retail Supplier): Sonoma Clean Power Authority

Signature: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "Geof Syphers", written over a horizontal line.

Dated: July 14, 2020

Executed at: Santa Rosa, CA



**ANNUAL REPORT TO THE CALIFORNIA ENERGY COMMISSION: Power Source Disclosure**  
**For the Year Ending December 31, 2019**

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## GENERAL INSTRUCTIONS

<b>RETAIL SUPPLIER NAME</b>	
Sonoma Clean Power Authority	
<b>ELECTRICITY PORTFOLIO NAME</b>	
EverGreen	
<b>CONTACT INFORMATION</b>	
<b>Name</b>	Deb Emerson
<b>Title</b>	Director of Power Services
<b>Mailing Address</b>	50 Santa Rosa Ave, 5th Floor
<b>City, State, Zip</b>	Santa Rosa, CA 95404
<b>Phone</b>	(707) 978-3469
<b>E-mail</b>	<a href="mailto:demerson@sonomacleanpower.org">demerson@sonomacleanpower.org</a>
<b>Website URL for PCL Posting</b>	<a href="https://sonomacleanpower.org">https://sonomacleanpower.org</a>

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**DIRECTLY DELIVERED RENEWABLES**

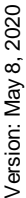
[illegible]



52 01 91



END USES OTHER THAN RETAIL SALES	MWh



**INSTRUCTIONS:** Enter information about retired unbundled RECs associated with this electricity portfolio. Insert additional rows as needed. All fields in white should be filled out. Fields in grey auto-populate as needed and should not be filled out.

54 of 91



**ANNUAL REPORT TO THE CALIFORNIA ENERGY COMMISSION: Power Source**  
**SCHEDULE 3: ANNUAL POWER CONTENT LABEL DATA**  
**for the year ending December 31, 2019**  
**Sonoma Clean Power Authority**  
**EverGreen**

Instructions: No data input is needed on this schedule. Retail suppliers should use these auto-populated calculations to fill out their Power Content Labels.

	Adjusted Net Procured (MWh)	Percent of Total Retail Sales
<b>Renewable Procurements</b>	19,872	100.0%
Biomass & Biowaste	-	0.0%
Geothermal	14,778	74.4%
Eligible Hydroelectric	-	0.0%
Solar	5,094	25.6%
Wind	-	0.0%
Coal	-	0.0%
Large Hydroelectric	-	0.0%
Natural gas	-	0.0%
Nuclear	-	0.0%
Other	-	0.0%
Unspecified Power	-	0.0%
<b>Total</b>	<b>19,872</b>	<b>100.0%</b>

<b>Total Retail Sales (MWh)</b>	<b>19,872</b>
---------------------------------	---------------

<b>Percentage of Retail Sales Covered by Retired Unbundled RECs</b>	<b>0.0%</b>
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Powerex				
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		Nuclear	0.006	-
		Other	0.032	-
		Unspecified Power	0.034	-

Bonneville Power Administration				
Net MWH Procured	N/A	Resource Type	Resource Mix Factors	Resource-Specific Procurements from ACS
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		Unspecified Power	0.04	-





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Sonoma Clean Power Authority  
EverGreen**

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Representing (Retail Supplier): Sonoma Clean Power Authority

Signature: \_\_\_\_\_

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Dated: July 14, 2020

Executed at: Santa Rosa, CA

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## **Staff Report - Item 06**

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**To: Sonoma Clean Power Authority Community Advisory Committee**

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

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

**Date: November 16, 2020**

---

### **COVID-19 IMPACTS TO SCP**

Staff continues to closely monitor the impact of COVID-19 on energy usage and revenues for SCP. There were no unexpected impacts to SCP operations during the month of October. We continue to offer customers energy savings suggestions through our website and social media.

### **LOCAL RESOURCE PLAN**

With the addition of the City of Santa Rosa accounts as part of our EverGreen program and with growing participation at large, staff is beginning the process to seek public input for a new Local Resource Plan. The Local Resource Plan will lay out the plan for new local clean power development to serve EverGreen customers and will eventually form a subset of the Integrated Resource Plan. Staff plans for this to be an iterative process, updated yearly and completely revisited every other year.

SCP will be seeking input from the public as part of our process through virtual public workshops in addition to the Committee and Board.

Two public workshops will be led by SCP staff and are intended to gain input from existing EverGreen customers and the public to supplement the discussion in our regular public meetings. We will be providing the Committee and Board a link to the workshops within a few days following each date. In addition, the Local Resource Plan will be agendaized for the next several Committee and Board meetings. This will

allow for extended Committee member discussion and comments, which would not be allowed at the public workshops under the Brown Act provisions.

The Local Resource Plan timeline is planned as follows:

- **12/1/2020- 12-2pm Public Workshop #1** focused on resource and program priorities
- **12/3/2020**- Staff will post video recording of Public Workshop #1 on website
- **12/16/2020 CAC meeting**- Staff will agendize a summary of Public workshop #1 for and seek CAC input
- **01/03/2021 BOD meeting**- Staff will present summary of Public workshop #1 and CAC feedback for Board input
- **01/12/2021 - 12-2pm Public Workshop #2** focused on technical demand and supply forecast scenarios
- **01/15/2021** - Staff will post video recording of Public Workshop #2 on website
- **January CAC meeting**- Staff will agendize a summary of Public workshop #2 and seek CAC input
- **February BOD meeting**- Staff will present summary of Public workshop #1 and CAC feedback for Board input
- **March CAC meeting**- Staff will present initial Local Resource Plan draft for CAC input
- **April BOD meeting**- Staff will present initial Local Resource Plan draft
- **April CAC meeting**- Staff will present the proposed Final Local Resource Plan for CAC recommendation to the Board
- **May BOD meeting**- Staff will seek approval of Final Local Resource Plan from Board.

## **PROGRAMS UPDATES:**

### ***School Storage Study***

SCP Staff is working with consultant, TerraVerde Energy, to provide free financial and technical feasibility assessments for deploying battery energy storage systems at school facilities in SCP territory. SCP and TerraVerde have reached out to all school districts in SCP territory to encourage School Districts to submit any of their school locations that have existing solar for consideration. Applications were due by October 16<sup>th</sup> and are currently under review. Selected schools will be provided with a project analysis including equipment specifications, costs, available incentives, and financial & backup power benefits.

## **Advanced Energy Center**

The installation of the retractable Nanowall in the classroom area, flooring, seismic bracing to the kitchen hoods, and millwork are now completed. Also completed is the installation of the Solatubes at the classroom as a test site for the Lead Locally Phase 1 Daylighting research. Outstanding interior finishes include work to complete AV, electrical, and security systems, install furniture, and complete any punch list items.

Although we are expected to complete the interior upgrades in 2-3 weeks, the replacement of the switchgear and electrical panel are still pending due to the time to procure equipment and scheduling a power outage for the 4<sup>th</sup> street block to replace the switchgear.

## **MONTHLY COMPILED FINANCIAL STATEMENTS**

The year-to-date growth in net position is slightly under projections due primarily to greater than expected expenses. Revenue from electricity sales is greater than projections by approximately 9%, and cost of energy is over expectations by approximately 28%. This high figure is significantly due to the CAISO Stage 2 events in August and September, where grid operators spent unusually high amounts to seek imports and other capacity in the hope of averting rotating outages. Year-to-date electricity sales reached \$60,532,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$100,526,000, which indicates healthy growth as SCP continues to make progress towards its reserve goals. In addition to Net Position, SCP maintains a Rate Stabilization Fund of \$22,000,000 at the end of the period.

Overall, other operating expenses continued near or slightly below planned levels for the year.

## **BUDGETARY COMPARISON SCHEDULE**

The accompanying budgetary comparison includes the 2020/21 budget amendment approved by the Board of Directors in June 2020.

The budget is formatted to make comparisons for both the annual and the year-to-date perspective. The first column, 2020/21 YTD Budget, allocates the Board approved annual budget at expected levels throughout the year with consideration for the timing of additional customers, usage volumes, staffing needs etc. This

column represents our best estimates, and this granular approach was not part of the Board approved budget.

Revenue from electricity sales to customers is greater than the year-to-date budget by approximately 9%.

The cost of electricity is greater than the budget-to-date mostly due to market price volatility. SCP anticipates this cost category to normalize throughout the year.

Variation in this account is typically due to fluctuating market cost of energy on open position purchases.

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

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

## **CAC MEETINGS FOR 2021**

Preparing for public meetings, from scheduling, agenda review and drafting comprehensive staff reports is something staff takes great care with and these tasks take time. While the annual Board of Directors meetings are scheduled out each December for the next calendar year, the CAC meetings have been planned on an as-needed basis. Staff would like to suggest to the committee members that a year-ahead schedule be implemented starting in 2021. While the CAC is only required to meet six times per year, meetings have generally been held monthly out of necessity, with a few exceptions. Planning the dates in advance would not prohibit the Chair and Vice Chair from cancelling meetings if the agenda is extremely light or if a quorum of members will not be available on the pre-determined meeting date.

## **UPCOMING MEETINGS:**

**CAC - November 16, 2020 at 1:00 P.M.**

**BOD - December 3, 2020 at 8:45 A.M.**

**CAC - December 16, 2020**

## **ATTACHMENTS**

September Financial Reports



## ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
Sonoma Clean Power Authority

Management is responsible for the accompanying special purpose statement of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended September 30, 2020, 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  
October 29, 2020

**SONOMA CLEAN POWER AUTHORITY**  
**OPERATING FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**July 1, 2020 through September 30, 2020**

	2020-21 YTD Budget	2020/21 YTD Actual	2020/21 YTD Budget Variance (Under) Over	2020/21 YTD Actual / Budget %	2020/21 Budget	2020/21 Budget Remaining
<b>REVENUE AND OTHER SOURCES:</b>						
Electricity (net of allowance) *	\$ 55,022,811	\$ 60,248,725	\$ 5,225,914	109%	\$ 161,517,700	\$ 101,268,975
Evergreen Premium (net of allowance)	120,583	283,159	162,576	235%	582,000	298,841
Inflow from Operating Account Fund Reserves	-	-	-	0%	15,433,300	15,433,300
CEC Grant	957,500	370,137	(587,363)	39%	3,830,000	3,459,863
BAAQMD grant	-	34,000	34,000	0%	50,000	16,000
Interest income	193,500	316,053	122,553	163%	750,000	433,947
Miscellaneous Income	-	7,009	7,009	0%	80,000	72,991
Total revenue and other sources	56,294,394	61,259,083	4,964,689	109%	182,243,000	120,983,917
<b>EXPENDITURES AND OTHER USES:</b>						
<b>CURRENT EXPENDITURES</b>						
Cost of energy and scheduling	40,733,882	52,025,764	11,291,882	128%	149,468,000	97,442,236
Data management	795,464	799,663	4,199	101%	3,182,000	2,382,337
Service fees- PG&E	241,989	241,425	(564)	100%	968,000	726,575
Personnel	1,310,000	1,148,719	(161,281)	88%	5,680,000	4,531,281
Outreach and communications	282,501	109,476	(173,025)	39%	1,130,000	1,020,524
Customer service	272,585	55,015	(217,570)	20%	383,000	327,985
General and administration	144,999	127,888	(17,111)	88%	580,000	452,112
Legal	90,000	75,683	(14,317)	84%	360,000	284,317
Regulatory and compliance	99,250	41,717	(57,533)	42%	397,000	355,283
Accounting	54,249	40,500	(13,749)	75%	217,000	176,500
Legislative	7,000	-	(7,000)	0%	28,000	28,000
Other consultants	39,999	57,350	17,351	143%	160,000	102,650
CalCCA Trade Association	95,001	87,240	(7,761)	92%	380,000	292,760
Program implementation	1,287,500	547,479	(740,021)	43%	5,150,000	4,602,521
Program - CEC grant	2,740,000	477,428	(2,262,572)	17%	5,660,000	5,182,572
Total current expenditures	48,194,419	55,835,347	7,640,928	116%	173,743,000	117,907,653
<b>OTHER USES</b>						
Capital outlay	2,125,000	2,364,306	239,306	111%	8,500,000	6,135,694
Total Expenditures, Other Uses and Debt Service	50,319,419	58,199,653	7,880,234	116%	182,243,000	124,043,347
Net increase (decrease) in available fund balance	\$ 5,974,975	\$ 3,059,430	\$ (2,915,545)	51%	\$ -	\$ (3,059,430)

\* Represents sales of approximately 607,000 MWh for 2020/21 YTD actual.

	Current Balance	% of Long-Term Target	Long-Term Target Balance
<b>RESERVES</b>			
Operating Cash Reserve	\$ 59,148,000	65%	\$ 91,121,500
Program Cash Reserve	10,829,000	59%	18,224,300
Collateral Cash Reserve	2,213,000	15%	14,946,800
	\$ 72,190,000	58%	\$ 124,292,600



**SONOMA CLEAN POWER AUTHORITY**  
**OPERATING FUND**  
**BUDGET RECONCILIATION TO STATEMENT OF**  
**REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**July 1, 2020 through September 30, 2020**

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 3,059,430
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(18,914)
Add back capital asset acquisitions	<u>2,501,134</u>
Change in net position	<u><u>\$ 5,541,650</u></u>



## ACCOUNTANTS' COMPILATION REPORT

Management  
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of September 30, 2020, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

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

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

*Maher Accountancy*

San Rafael, CA  
October 29, 2020

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of September 30, 2020

### ASSETS

Current assets	
Cash and cash equivalents	\$ 58,762,800
Accounts receivable, net of allowance	25,229,602
Other receivables	3,999,853
Accrued revenue	11,127,346
Prepaid expenses	1,200,854
Deposits	367,079
Investments	7,500,000
Total current assets	<u>108,187,534</u>
Noncurrent assets	
Unrestricted cash in Rate Stabilization Fund	22,000,000
Land and construction-in-progress	10,475,287
Capital assets, net of depreciation	216,142
Deposits	5,430,922
Total noncurrent assets	<u>38,122,351</u>
Total assets	<u>146,309,885</u>

### LIABILITIES

Current liabilities	
Accrued cost of electricity	19,772,470
Accounts payable	2,307,402
Advanced from grantors	154,875
Other accrued liabilities	890,610
User taxes and energy surcharges due to other governments	658,484
Total current liabilities	<u>23,783,841</u>

### DEFERRED INFLOWS OF RESOURCES

Rate Stabilization Fund	22,000,000
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### NET POSITION

Investment in capital assets	10,691,429
Unrestricted	89,834,615
Total net position	<u><u>\$ 100,526,044</u></u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**July 1, 2020 through September 30, 2020**

**OPERATING REVENUES**

Electricity sales, net	\$ 60,248,725
Evergreen electricity premium	283,159
Grant revenue	404,137
Total operating revenues	<u>60,936,021</u>

**OPERATING EXPENSES**

Cost of electricity	52,025,764
Contract services	2,120,843
Staff compensation	1,148,719
General and administration	301,918
Program rebates and incentives	101,275
Depreciation	18,914
Total operating expenses	<u>55,717,433</u>
Operating income	<u>5,218,588</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest income	316,053
Other nonoperating revenue	7,009
Total nonoperating revenues (expenses)	<u>323,062</u>

**CHANGE IN NET POSITION**

	5,541,650
Net position at beginning of period	<u>94,984,394</u>
Net position at end of period	<u>\$ 100,526,044</u>

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS

July 1, 2020 through September 30, 2020

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 56,772,294
Other operating receipts	428,320
Payments to electricity suppliers	(47,428,400)
Payments for other goods and services	(2,269,887)
Payments for staff compensation	(1,173,466)
Tax and surcharge payments to other governments	(658,603)
Payments for program rebates and incentives	<u>(583,362)</u>
Net cash provided (used) by operating activities	<u>5,086,896</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(2,420,174)</u>
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### CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	213,919
Proceeds from certificates of deposit matured	<u>12,791,718</u>
Net cash provided (used) by investing activities	<u>13,005,637</u>

Net change in cash and cash equivalents	15,672,359
Cash and cash equivalents at beginning of year	<u>65,090,441</u>
Cash and cash equivalents at end of year	<u>\$ 80,762,800</u>

### Reconciliation to the Statement of Net Position

Cash and cash equivalents (current)	\$ 58,762,800
Cash and cash equivalents (noncurrent)	<u>22,000,000</u>
Cash and cash equivalents	<u>\$ 80,762,800</u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF CASH FLOWS (continued)**  
**July 1, 2020 through September 30, 2020**

**RECONCILIATION OF OPERATING INCOME TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 5,218,588
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	18,914
Revenue adjusted for allowance for uncollectible accounts	766,223
(Increase) decrease in:	
Accounts receivable	(4,341,875)
Other receivables	(1,079,296)
Accrued revenue	(931,888)
Prepaid expenses	(122,607)
Deposits	418,320
Increase (decrease) in:	
Accrued cost of electricity	2,790,443
Accounts payable	647,420
Advance from grantors	(34,000)
Accrued liabilities	1,647,311
User taxes due to other governments	89,343
Net cash provided (used) by operating activities	<u><u>\$ 5,086,896</u></u>



## Staff Report - Item 07

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**To:** Sonoma Clean Power Authority Community Advisory Committee

**From:** Neal Reardon, Director of Regulatory Affairs  
Geof Syphers, Chief Executive Officer

**Issue:** Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate

**Date:** November 16, 2020

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### **Requested Committee Action:**

Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate.

### **Regulatory Update**

#### Power Charge Indifference Adjustment ("PCIA")

The preliminary 2021 PCIA charge our customers will be charged for PG&E's above-market costs is expected to be slightly lower than what was assessed in 2020. This is primarily due to increases in energy prices. PG&E's costs are largely fixed, so increased energy revenues result in their being less out-of-the-money. This development will benefit both CCA and PG&E bundled customers equally.

The settlement proposed by PG&E and a group of CCAs on their 2021 costs remains before the Commission for approval, rejection, or modification. If adopted as proposed, it would result in a net reduction of \$136 million in PCIA charges across all Northern California CCAs. These savings are spread by load share, with SCP representing 7.2% of PG&E's CCA load, our customers would see a reduction of \$9.8 million. Note, these savings are incremental to the reduction described above.

## 2019 De-Energization or Public Safety Power Shutoff "PSPS" Events

The CPUC's Safety Enforcement Division released a report of their findings on PG&E's 2019 PSPS events. This report found that "PG&E did not provide an in-depth discussion of how PG&E determined that the benefit of de-energization outweighed potential public safety risks" and it criticized the utility for providing minimal supporting data or rationale.

On October 16, SCP in conjunction with other Northern CA CCAs filed opening comments in support of this 2019 PSPS Event Report. These reasoned that in order to meet its burden of demonstrating that the decision to shut off power is necessary to protect public safety, an IOU must demonstrate that the wildfire safety risks from remaining energized ("wildfire risks") outweigh the sum of all unmitigated adverse impacts (particularly safety impacts) of cutting power ("outage risks"). In this case, PG&E failed to incorporate impacts on local governments and first responders, as well as increased generator usage by customers.

Because PG&E failed to meet the burden of demonstrating that these events were necessary, the Northern CA CCAs recommend that shareholders be held responsible for all liabilities incurred as a result of these shutoffs.

## **Legislative Update**

Since California is between legislative sessions, there are no written materials for the Legislative Update. A verbal update will be provided to the Committee as appropriate.





## **Staff Report - Item 08**

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**To: Sonoma Clean Power Authority Community Advisory Committee**

**From: Geof Syphers, CEO**

**Issue: Receive Report on the Potential Participation in Forming a JPA of CCAs for the Purpose of Joint Procurement of Energy Resources and Products and Provide Feedback as Appropriate**

**Date: November 16, 2020**

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### **INTRODUCTION**

SCP staff began exploring the potential for participating in joint procurement of energy resources this past summer because of the increasing need for new capacity on the CAISO grid. The need was underscored by the first rotating outages in 19 years that were ordered by CAISO on August 14 and 15, 2020. SCP's Governing Board also adopted an Integrated Resource Plan on August 6, 2020, calling for 50 MW of long-duration storage, a product that may be best procured through a joint process with other CCAs because some of the storage technologies are best suited to relatively large facilities: pumped hydropower, compressed air, thermal storage and gravity systems are examples.

On June 3, 2020, SCP participated with ten other CCAs in issuing a Request for Information about long-duration storage technologies. The goals of the RFI were to:

- Collect information that may inform a subsequent long-duration storage Request for Offers, which may be issued as soon as this summer by each of the CCAs individually, or some combination of the Joint CCAs; and
- To collect information that will help the Joint CCAs in their long-term resource planning, including identifying candidate resources for the long-duration storage need identified in the 2019-2020 Reference System Plan.

The RFI responses were encouraging, with a large number of technologies and potential projects. This led the Joint CCAs to begin researching mechanisms to

facilitate joint procurement, which quickly converged on creating a Joint Powers Agency (JPA) which is a model that municipal utilities have used for decades. The Northern California Power Agency (NCPA) is a JPA which facilitates joint procurement of resources for its members, including the Cities of Healdsburg and Ukiah.

The Joint CCAs began work in September to draft a JPA, which each of the participating CCAs could consider joining. The model of forming a "JPA of JPAs" is common among waste districts, water agencies and other governmental entities which need to undertake joint action.

This report describes the purpose of "CC Power," the name of the proposed JPA (CC standing for community choice), the scope and operation, the expected costs and benefits, and the risks of participating. Staff are seeking input and questions at this meeting and at the December Board of Directors meeting, and hope to bring a proposal to consider formally joining CC Power to the January Board meeting.

## **PURPOSE OF CC POWER**

CC Power is designed to facilitate the purchase of energy, capacity, storage and generally any energy products for the agency's members, which consist of community choice power providers and may, in the future, include other public agencies. Initially, CC Power may be used to facilitate the purchase of a long-duration storage contract or contracts, potentially as early as the first quarter in 2021.

## **SCOPE AND OPERATION OF CC POWER**

CC Power will exist mainly to facilitate joint procurement, so it is expected to have a General Manager and likely few, if any, additional staff. Instead, the entity would be staffed mainly by its members and by technical and legal consultants, as needed to issue RFOs and transact, and to manage existing contracts over time. The JPA also allows CC Power to facilitate energy related programs, although there are no immediate plans to use that capability. Finally, the JPA places some limitations on the ability for CC Power to engage in policy and lobbying activities, stating "CC Power is not intended to be a policy-maker or advocate, though it may, from time to time, advance or support public policies in support of its purpose that do not conflict with interests or policies advanced by any Member." This limitation may be valuable in recognition that CC Power's board of directors would be made up of the member agencies' CEOs or their staff designees, and not made up of elected officials.

The proposed CC Power Agency will have only the powers that all of its members have. Currently, Redwood Coast Energy Authority does not have the power to

condemn property, so if its governing board approves participation in CC Power, then CC Power would also not have that power. This would not, however, have any impact of the other CC Power members' ability to use eminent domain if their JPA's provide for that authority.

## **COSTS AND BENEFITS**

Administrative costs of CC Power are borne equally by the members of CC Power, and are expected to be between \$10,000 and \$30,000 annually for SCP for the level of services staff foresees. Changing the allocation of administrative costs can be done by a two-thirds majority of the entire CC Power Board.

Most of the costs of participating in CC Power would come from energy transactions and the preparation for those transactions. All of those costs would be borne only by the members that are participating in the transaction.

The JPA does not expressly address how the costs of a particular project would be borne by the participating members, but the JPA does provide that different credit strengths of the members could be a factor in determining the costs that the different members would pay for their shares in a project. This means that some members may pay a higher price or post a different amount of collateral for a given contract, but leaves those negotiations to be determined on a project-by-project basis rather than being established in the JPA. SCP is not a rated entity, but has a strong record of financial strength, and staff have not observed any significant price advantage of having a rating at least in today's energy market. For this reason, SCP would seek to negotiate favorable terms within any division of costs in joint procurement, and would retain the right to not transact or to separately pursue an independent RFO.

The potential benefits of participating in joint procurement are:

- May receive a larger set of offers in a given RFO, especially for large resources where SCP could not purchase the entire output alone;
- May result in more favorable pricing for resources due to getting more offers;
- Sharing expenses relating to RFO development and contract negotiation;
- Information sharing across CCAs relating to new resource types, procurement strategies and resource planning.

## **RISKS**

While there are certain administrative costs, there are no known risks of participating as a member of CC Power because there are no obligations to transact and because

the debts and obligations of CC Power are not the debts of the members and these debts cannot be transferred to SCP without SCP's consent.

There are, however, risks associated with joint procurement. As with all procurement, there are risks associated with:

- Having sufficient technical and market intelligence to evaluate an offer. This risk can be partially addressed by having CC Power hire highly-experienced consultants to negotiate proposed deals. But the need would likely remain for SCP to independently confirm the advice of CC Power's consultants, and staff assume that SCP would need to continue to use expert staff and consultants for that purpose.
- Having legal advice from an attorney with experience in California's energy markets. CC Power would retain expert counsel to negotiate proposed deals and SCP would also independently evaluate any legal matters, as necessary, with its own counsel.
- Contracting for a resource that fails to be constructed or fails to deliver. Every deal of sufficient size to warrant joint procurement will be evaluated for risks associated with counterparty credit, constructability, deliverability, grid constraints (such as fire risk, PSPS events and transmission congestion), and other factors.

In addition to the above ordinary procurement risks, certain additional risks arise with joint procurement.

- Increased complexity of a given transaction due to multiple parties. Having several offtakers of a single resource means having approval from all parties before finalizing a contract, which could add time to negotiations and potentially add risk of procuring in a timely manner. One advantage SCP has is that it is now working very closely with NCPA because that entity is SCP's CAISO Scheduling Coordinator beginning on January 1, 2021. That relationship provides us with access to advice from their 50 years of experience. The other mitigating factor is that SCP retains the right to break off from a joint procurement through CC Power and issue its own independent RFO.
- Potential for a CC Power member to default on a transaction SCP is party to. Section 8.01 of the JPA reiterates California Government Code that "no debt, liability or obligation of CC Power shall be a debt, liability or obligation of any Member unless such Member enters into a Project Agreement specifying otherwise." Staff anticipate that it would be unusual to accept contract terms

which obligated any CCA to the debts and obligations of another CCA, meaning that the risk of a CCA default rests with the seller and not with SCP.

At this time, staff are seeking public input into creating this option for SCP to participate in joint procurement with other California CCAs. A copy of the full draft JPA is attached to this report.

## **SUPPLEMENTAL BACKGROUND ON THE LONG-DURATION STORAGE RFO**

RFO was issued on 10/15 to a distribution list of over 300. RFO information found [here](#) with the following key dates:

<b>Timeline</b>	<b>Scheduled Date</b>
Issuance of RFO	October 15, 2020
Offerors Webinar	October 28, 2020 at 3:30-4:30 p.m. Second Webinar: November 5, 2020 at 2:00 pm
Deadlines to submit questions	November 6, 2020
Responses to questions published	November 10, 2020
Deadline to submit proposals	December 1, 2020 by 5:00 p.m.
Review evaluation and ranking of projects	December 1, 2020 to February 2, 2021
Project(s) shortlisting	March 2, 2021
Developer/Buyer negotiations	March-July 2021
Final contract approval (Tentative)	July 2021

Two Offerors Webinars were held with heavy participation in both.

The RFO received widespread interest and media attention:

[The First Major Long Duration Storage Procurement Has Arrived](#), Greentech Media

[California Community Choice Aggregators issue joint request for up to 500 MW of long-duration energy storage, Solar Power World](#), Solar Power World

[California CCAs issue RFO for up to 500 MWs of long-duration storage](#), Renewable Energy World

[Calif. aggregators seek 500 MW of long-duration energy storage](#) S&P Global

## **CC POWER AGENCY JOINT POWERS AGREEMENT**

This Joint Powers Agreement ("Agreement") is made by and among those public agencies who are signatories to this Agreement, and those public agencies which may hereafter become signatories to this Agreement, for the purpose of operating a separate joint powers agency, which is named "CC Power."

### **WITNESSETH**

WHEREAS, it is to the mutual benefit of the Members and in the public interest that the Members join together to engage in the exercise of powers they have in common including, but not limited to, (i) the acquisition and operation of wholesale power supplies, resource adequacy and renewable attributes, (ii) the provision of joint consulting and contracting services via master agreements and bulk purchasing and financing of decarbonization products, (iii) the offering of energy risk management and California Independent System Operator ("CAISO") scheduling services; and (iv) other energy services or programs which may be of benefit to Members (collectively, hereinafter "energy related programs");

WHEREAS, CC Power's primary objective is to provide for joint procurement of electrical power and storage and other energy projects for its Members, as set forth in this Agreement;

WHEREAS, CC Power and the Members address climate change through cleaner energy procurement and building a sustainable and equitable future in Member communities;

WHEREAS, each of the public community choice aggregation agencies which is a Member to this Agreement has the power to establish, manage, operate and maintain Community Choice Aggregation ("CCA") programs, electric service enterprises available to cities and counties pursuant to California Public Utilities Code Section 331.1(c) and 366.2 and to study, promote, develop, conduct, operate and manage energy related programs; and

WHEREAS, Title I, Division 7, Chapter 5, Article 1 of the California Government Code (the "Joint Powers Act" or "Act") authorizes the joint exercise by two or more public agencies of any power which is common to each of them.

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do hereby agree as follows:

### **Article I. DEFINITIONS**

In addition to the other terms defined herein, the following terms, whether in the singular or in the plural, when used herein and initially capitalized, shall have the meanings specified throughout this Agreement.

**Section 1.01** "Board" means the Board of Directors of CC Power as established by this Agreement.

**Section 1.02** "CC Power" means the Joint Powers Authority established by this Agreement.

**Section 1.03** "Member" means a Public CCA Agency, or other public agency the Board determines to be eligible pursuant to Section 3.02, that is a signatory to this Agreement and has met the requirements of Article III; the term "Member" shall, however, exclude any Public CCA Agency or other eligible public agency which shall have withdrawn or been excluded from CC Power pursuant to Section 3.04 below.

**Section 1.04 “Project”** means any and all of the following matters, which are approved by the Board pursuant to Article VI: (i) the construction, financing or acquisition of a wholesale power resource, resource adequacy and/or renewable and environmental attributes for use by the Members, and such other transactions, services, and goods that may be necessary or convenient to construct, finance, acquire or optimize the value of such resources, (ii) the bulk purchasing and/or financing of decarbonization products, including, but not limited to, heat pump water heaters, space heater heat pumps and electric vehicle charging services, (iii) energy risk management and CAISO scheduling products and services, (iv) acquisition, construction and financing of facilities for the generation or transmission of electrical energy and any related transactions, services, and goods that may be necessary or convenient to acquire, construct, and finance these facilities, (v) grid integration services, (vi) acquisition of capacity rights in any facility for the generation or transmission of electric energy, and (vii) any other energy related programs.

**Section 1.05 “Project Agreement”** means a contract between and among CC Power and Project Participants.

**Section 1.06 “Project Participants”** means any Member or group of Members who participate in a Project pursuant to Article VI below.

**Section 1.07 “Public CCA Agency”** means any public agency, or such joint powers agencies/authorities consisting of one or more public agencies, that has implemented a CCA program pursuant to California Public Utilities Code Sections 331.1 and 366.2.

## **Article II. FORMATION OF AUTHORITY**

**Section 2.01 Creation of CC Power.** Pursuant to the Joint Powers Act, there is hereby created a public entity, to be known as “CC Power,” which shall be a public entity separate and apart from its Members.

**Section 2.02 Purpose.** The purpose of this Agreement is for CC Power to develop, acquire, construct, own, manage, contract for, engage in, finance and/or provide energy related programs for the use of and by its Members. CC Power is not intended to be a policy-maker or advocate, though it may, from time to time, advance or support public policies in support of its purpose that do not conflict with interests or policies advanced by any Member.

**Section 2.03 Powers.** CC Power is authorized, in its own name, to do all acts necessary to fulfill the purposes of this Agreement as referred to in Section 2.02 above, and engage in the exercise of powers the Members have in common including, but not limited to, each of the following:

- (a) Acquire, purchase, finance, offer, arrange, construct, maintain, utilize and/or operate one or more Projects;
- (b) Establish, operate, maintain and/or fund energy related programs;
- (c) Make and enter into contracts;
- (d) Employ agents and employees;
- (e) Acquire, contract, manage, maintain, sell or otherwise dispose of real and personal property and operate any buildings, infrastructure, works, or improvements;
- (f) Receive contributions and donations of property, funds, services and other forms of assistance from any source;
- (g) Lease real or personal property as lessee and as lessor;
- (h) Sue and be sued in its own name;
- (i) Incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Sections 53850 et seq. and authority under the Act;
- (j) Receive, collect, invest and disburse moneys;
- (k) Issue revenue bonds and other forms of indebtedness, as provided by law;



- (l) Apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;
- (m) Make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer energy related programs;
- (n) Adopt from time to time such policies, procedures, bylaws, rules or regulations for the conduct of its affairs as deemed necessary by the Board;
- (o) Exercise all other powers necessary and proper to carry out this Agreement; and
- (p) Defend, hold harmless, and indemnify, to the fullest extent permitted by law, each Member from any liability, claims, suits, or other actions.

Such powers shall be exercised in the manner provided in Section 6509 of the Government Code of the State of California, as amended, subject only to such restrictions upon the manner of exercising such powers as are imposed upon Silicon Valley Clean Energy in the exercise of similar powers. Should Silicon Valley Clean Energy withdraw or be excluded from this Agreement pursuant to Section 3.04 hereof, the manner of exercising any power shall be subject only to the restrictions upon the manner of exercising such powers as are imposed upon Marin Clean Energy.

**Section 2.04 Compliance with Local Zoning and Building Laws and CEQA.** Unless state or federal law provides otherwise, any facilities, buildings or structures located, constructed, or caused to be constructed by CC Power within the territory of CC Power shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act.

### **Article III. MEMBERSHIP**

**Section 3.01 Member Agencies.** Any Public CCA Agency, or other public agency determined by the Board to be eligible pursuant to Section 3.02, may become a Member upon meeting the following conditions:

- (a) The Public CCA Agency or other eligible public agency shall file with the Board a certified copy of a resolution of its governing body whereby it (i) agrees to the provisions of this Agreement, and (ii) requests to become a Member; and
- (b) No such Public CCA Agency or other eligible public agency shall become a Member until (i) its admission is approved at a regular or special meeting of the Board by at least two-thirds (2/3) of the entire Board, and (ii) it deposits or agrees to pay CC Power a share of organization, planning and other costs and charges as determined by the Board to be appropriate, if any.

Upon completion of the foregoing, the Public CCA Agency or other eligible public agency shall become a Member for all purposes of this Agreement.

**Section 3.02 Eligible Public Agency Members.** The Board may adopt policies to determine whether public agencies that are not Public CCA Agencies may be eligible to become a Member of CC Power.

**Section 3.03 Cost Allocations.**

- (a) Unless otherwise determined by a two-thirds (2/3) vote of the entire Board, each Member shall pay an equal share of one member one share for general and administrative costs as determined by the Board associated with all operations of CC Power. General and administrative costs do not include any costs that relate solely to any specific Project Agreement.
- (b) Project Agreements and other program agreements between and among any Member and/or CC Power will determine cost allocation and may consider, among other relevant factors, credit strength of the Members and may differ in price and collateral requirements as determined solely for such Project Agreement or other program agreements.

**Section 3.04 Withdrawal or Exclusion of Member.**

- (a) Any Member may withdraw from CC Power upon the following conditions:
  - (i) The Member shall have filed with the Board Secretary a certified copy of a resolution of its governing body expressing its desire to so withdraw. Once a Member files a resolution to withdraw with the Board Secretary, that Member no longer has any voting rights on the Board;
  - (ii) Members participating in Projects, programs or services pursuant to Project Agreements or other program agreements approved by the Board are subject to the participation and withdrawal terms and conditions described in the applicable agreement; and
  - (iii) Prior to accepting the Member's filing of such resolution, any Member so terminating shall be obligated to pay its share of all debts, liabilities, and obligations of CC Power specifically assumed by the Member. However, this obligation shall take into account any refunds due to the Member and shall not extend to debts, liabilities and obligations secured or otherwise committed pursuant to Project Agreements or other program agreements between and among any Member and/or CC Power. The debts, liabilities and obligations of the Members to such Project Agreements or other program agreements shall be determined by their terms. Any obligations under this Agreement are subject to the limitations set forth in Article VIII.
- (b) Upon compliance with the conditions specified in Section 3.04(a), the Board shall accept the withdrawing Member's resolution and the withdrawing Member shall no longer be considered a Member for any reason or purpose under this Agreement and its rights and obligations under this Agreement shall terminate. The withdrawal of a Member shall not affect any obligations of such Member under any Project Agreement or other program agreement.
- (c) Any Member which has (i) defaulted under this Agreement, a Project Agreement, or other program agreement, (ii) failed to appoint a Director to serve on the Board in accordance with Section 4.02 below, or (iii) failed to pay any required share of costs in accordance with Sections 3.01 and 3.03 above, may have its rights under this Agreement terminated and may be excluded from participation in CC Power by the vote (taken at a regular or special meeting of the Board) of at least two-thirds (2/3) of the entire Board (including the Director representing the defaulting Member). Prior to any vote to terminate participation of any Member, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Member whose termination is proposed at least 60 days prior to the Board meeting at which such matter shall first be discussed as an agenda item. The written notice of the proposed termination shall specify the particular provisions of this Agreement or a Project Agreement or other program agreement which the Member has allegedly defaulted on, or whether the proposed termination is based on failure to appoint a Director or pay any required share of costs. The Member subject to possible termination shall have the opportunity to cure the violation prior to the meeting at which termination will be considered. At the meeting where termination of the Member is considered, the Member shall be given the opportunity to respond to any reasons and allegations that may be cited as a basis for termination prior to a termination vote. Any excluded Member shall continue to be liable for its obligations under any Project Agreement or other program agreement and for any unpaid contribution, payment, or advance approved by the Board prior to such Member's exclusion.
- (d) The withdrawal or termination of a Member shall not affect the provisions or obligations set forth in Article VIII or Section 11.03 below.

**Article IV. POWERS OF BOARD & MANAGEMENT OF CC POWER**

**Section 4.01 Board.** CC Power shall be administered by a Board which shall consist of one Director representing each Member. Such Board shall be the governing body of this CC Power, and, as such, shall be vested with the powers set forth in this Agreement, and shall execute and administer this Agreement in accordance with the purposes and functions provided herein. The Board shall have the authority to provide for the general management and oversight of the affairs, property and business of CC Power.

**Section 4.02 Appointment and Vacancies.** Each Director shall be the Chief Executive Officer, General Manager, or designee of the Chief Executive Officer or General Manager of each Member and shall be appointed by and serve at the pleasure of the Member that the Director represents, and may be removed as Director by such Member at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed by the Member to fill the position of the previous Director in accordance with the provisions of this Article IV within 60 days of the date that such position becomes vacant or the Member shall be subject to the exclusion procedures in Section 3.04(c) above. Each Director may appoint an alternate to serve in their absence.

**Section 4.03 Notices.** The Board shall comply with the applicable provisions of Sections 6503.5, 6503.6 and 53051 of the Government Code requiring the filing of notices and a statement with the Secretary of State, the State Controller, the applicable county clerk and local agency formation commissions, including, but not limited to:

- (a) Causing a notice of the Agreement or any amendment to the Agreement to be prepared and filed with the office of the Secretary of State within 30 days of the effective date of the Agreement or amendment, and
- (b) Filing a statement of facts with the Secretary of State within 70 days after the date of commencement of CC Power's legal existence. Upon any change in the statement of facts presented to the Secretary of State, an amended statement of facts shall be filed with the Secretary of State within 10 days of the change.

**Section 4.04 Committees.** The Board may create committees to provide advice to the Board or conduct the business of CC Power subject to delegation of authority from the Board.

**Section 4.05 Director Compensation.** Compensation for work performed by Directors, including alternates, on behalf of CC Power shall be borne by the Member that appointed the Director. The Board, however, may adopt by resolution a policy relating to the reimbursement of expenses incurred by Directors.

**Section 4.06 Board Officers.** At its first meeting in each calendar year, the Board shall elect or re-elect a Chair and a Vice-Chair each of whom shall be selected from among the Directors and shall also appoint or re-appoint a Secretary and a Treasurer/Controller each of whom may, but need not, be selected from among the Directors.

- (a) **Chair and Vice-Chair.** The duties of the Chair shall be to preside over the Board meetings, sign all ordinances, resolutions, contracts and correspondence adopted or authorized by the Board, and to help ensure the Board's directives and resolutions are carried out. In the absence or inability of the Chair to act, the Vice Chair shall act as Chair.
- (b) **Treasurer and Controller.** The Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Controller, neither of whom needs to be a Director. If the Board so designates, and in accordance with the provisions of applicable law, a qualified person may hold both the office of Treasurer and the office of Controller of CC Power. The Treasurer shall be the depository of CC Power to have custody of all the money of CC Power, from whatever source. The Controller shall draw warrants to pay demands against CC Power when the demands have been approved by the Chair or Vice Chair of CC

Power. The Treasurer and Controller shall have the other powers, duties and responsibilities of such officers as specified in Section 6505 of the Government Code of the State of California, as amended, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed, as is provided for and authorized in Section 6550 of the Government Code of the State of California, as amended, pursuant to any resolution, indenture or other instrument providing for the issuance of bonds or notes of CC Power pursuant to this Agreement. The Board may require the Treasurer and/or Controller to file with CC Power an official bond in an amount to be fixed by the Board, and if so requested CC Power shall pay the cost of premiums associated with the bond. The Treasurer and Controller shall cause an independent audit to be made by a certified public accountant, or public accountants, in compliance with Section 6505 of the Government Code.

- (c) **Secretary.** The Secretary shall be responsible for keeping the minutes of all meetings of the Board and all other official records of CC Power, and responding to public records requests of the JPA.

**Section 4.07 Management of CC Power.** The Board shall appoint a General Manager, and may appoint one or more Assistant General Managers, to serve at the pleasure of the Board. The General Manager shall be responsible for the day-to-day operation and management of CC Power. The General Manager may enter into and execute contracts in accordance with the policies established by the Board, and shall file an official bond in the amount determined from time to time by the Board.

**Section 4.08 Other Officers and Employees.** The Board shall have the power to appoint such other officers and staff as it may deem necessary who shall have such powers, duties and responsibilities as are determined by the Board, and to retain independent accountants, legal counsel, engineers and other consultants. The Members may contract with CC Power to provide staff to perform services for CC Power, but such employees shall at all times, and for all purposes including benefits and compensation, remain employees of the Member only.

**Section 4.09 Budget.** The budget shall be approved by the Board. The Board may revise the budget from time-to-time as may be reasonably necessary to address contingencies and expected expenses. All subsequent budgets of CC Power shall be approved by the Board in accordance with rules as may be adopted by the Board from time to time. All expenditures must be made in accordance with the adopted budget.

## **Article V. MEETINGS OF THE BOARD**

**Section 5.01 Regular Meetings.** The Board shall hold at least one regular meeting per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution of the Board. Regular meetings may be adjourned to another meeting time.

**Section 5.02 Special Meetings.** Special meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956, as amended.

**Section 5.03 Brown Act Compliance.** All meetings of the Board shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Section 54950 et seq.), and as augmented by rules of the Board not inconsistent therewith. Directors may participate in meetings telephonically or by other electronic means, with full voting rights, only to the extent permitted by law.

**Section 5.04 Minutes.** The Secretary shall cause to be kept minutes of the meetings of the Board, both regular and special, and shall cause a copy of the minutes to be forwarded promptly to each Director.

**Section 5.05 Quorum.** A quorum of the Board shall consist of a majority of the Directors, except that less than a quorum may adjourn from time to time in accordance with law.

**Section 5.06 Voting.** Except to the extent set forth in a Project Agreement or as otherwise specified in this Agreement, each Member shall have one vote, which may be cast on any matter before the Board by each Director or alternate. Except to the extent otherwise specified in this Agreement, or by law, a vote of the majority of the Directors in attendance shall be sufficient to constitute action, provided a quorum is established and maintained.

**(a) Special Voting Requirements as specified in this Agreement:**

- (i)** Action of the Board to amend Section 3.03 related to cost allocations shall require the affirmative vote of at least two-thirds (2/3) of the entire Board.
- (ii)** Action of the Board on the matters set forth in Section 3.04(c) related to involuntary termination of a Member shall require the affirmative vote of at least two-thirds (2/3) of the entire Board.
- (iii)** Action of the Board on the matters set forth in Section 9.01 related to termination of this Agreement shall require the affirmative vote of at least two-thirds (2/3) of the entire Board approved by resolution of each Member's governing body.
- (iv)** Action of the Board to amend this Agreement shall be subject to the voting requirements set forth in Section 11.02 below.

**Article VI. PROJECTS**

**Section 6.01 Projects.** The Board has the power, upon majority vote of the Directors in attendance, provided a quorum is established and maintained, to establish Projects within the purpose and power of CC Power and to adopt guidelines for their implementation.

**Section 6.02 Right to Participate in Projects.** The Board shall provide at least sixty (60) days prior written notice to all Members, unless such notice is otherwise waived, before any Project may be considered for adoption by a vote of the Board. Such notice shall be provided to the Director of each Member. Once a Project is approved by the Board as set forth in Section 6.01 above, all Members shall have the right, but not the obligation, to participate in a pro-rata share in the Project as determined by the Project Agreement. All Members who elect not to participate in the Project have no obligations under the Project.

**Section 6.03 Project Agreement.** All expenses, rights and obligations to any specific Projects will be handled through Project Agreements that will be separate and distinct from this Agreement.

**Article VII. BONDS AND OTHER INDEBTEDNESS**

CC Power shall also have the power to issue, sell and deliver bonds in accordance with the provisions of the Joint Powers Act for the purpose of acquiring, financing, performing or constructing one or more Projects and to enter into other indebtedness for the purpose of financing one or more studies or Projects and for the purpose of providing temporary financing of costs of development, construction or acquisition of one or more Projects. The terms and conditions of the issuance of any such bonds or indebtedness shall be set forth in such resolution, indenture or other instrument, as required by law and as approved by the Board. Bonds issued under this article and contracts or obligations entered into to carry out the purposes for which bonds are issued, payable in whole or in part from the proceeds of said bonds, shall not constitute a debt, liability or obligation of any of the Members unless the governing body of the Member by resolution expressly agrees that the Member will be obligated under the bond or other indebtedness or the Member takes on obligations pursuant to a Project Agreement

**Article VIII. LIMITATION ON LIABILITY OF MEMBERS**

**Section 8.01** Pursuant to Section 6508.1 of the Government Code of the State of California, no debt, liability or obligation of CC Power shall be a debt, liability or obligation of any Member unless such Member enters into a Project Agreement specifying otherwise. Nothing contained in this Article VIII shall in any way diminish the liability of any Member with respect to any Project Agreement such Member enters into pursuant to this Agreement.

**Section 8.02 Individual Member Provisions.**

- (a) The City of San José is a municipal corporation and is precluded under the California State Constitution and applicable law from entering into obligations that financially bind future governing bodies, and, therefore, nothing in the Agreement shall constitute an obligation of future legislative bodies of the City to appropriate funds for purposes of the Agreement. Any obligations under this Agreement and any Project Agreement are special limited obligations of San José Clean Energy payable solely from the Designated Fund (defined as the San Jose Energy Operating Fund established pursuant to City of San Jose Municipal Code, Title 4, Part 63, Section 4.80.4050 *et seq.*) (“Designated Fund”) and shall not be a charge upon the revenues or general fund of the City of San José or upon any non- San José Clean Energy moneys or other property of the Community Energy Department or the City of San José.
- (b) CleanPowerSF’s payment obligations under this Agreement are special limited obligations of CleanPowerSF payable solely from the revenues of CleanPowerSF. CleanPowerSF’s payment obligations under this Agreement are not a charge upon the revenues or general fund of the San Francisco Public Utilities Commission or the City and County of San Francisco or upon any non-CleanPowerSF moneys or other property of the San Francisco Public Utilities Commission or the City and County of San Francisco. CleanPowerSF’s obligations hereunder shall not at any time exceed the amount certified by the San Francisco City Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of CleanPowerSF are not authorized to request, and CleanPowerSF is not required to reimburse CC Power for, commodities or services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of CleanPowerSF are not authorized to offer or promise, nor is CleanPowerSF required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the San Francisco City Controller. The San Francisco City Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

**Article IX. TERM; TERMINATION; LIQUIDATION; DISTRIBUTION**

**Section 9.01 Term and Termination.** This Agreement shall become effective when at least two Members execute this Agreement. This Agreement shall continue in full force and effect until terminated as provided in this Article; provided however, this Agreement cannot be terminated until such time as all principal of and interest on bonds and other forms of indebtedness issued by CC Power are paid in full. Thereafter, this Agreement may be terminated by a two-thirds (2/3) vote of the entire Board approved by resolution of each Member’s governing body; provided, however, that this Agreement and CC Power shall continue to exist after termination for the purpose of disposing of all claims, distribution of assets and all other functions necessary to conclude the obligations and affairs of CC Power. In no event shall this Agreement or the powers herein granted to CC Power be terminated until (a) all bonds and other indebtedness of CC Power and the interest thereon shall have been paid or adequate provision for such payment shall have been made in accordance with the instruments governing such bonds and indebtedness and (b) all other obligations and liabilities of CC Power shall have been met or adequately provided for.

**Section 9.02 Liquidation; Distribution.** Upon termination of this Agreement, the Board shall liquidate the business and assets and the property of CC Power as expeditiously as possible, and distribute any net proceeds, after the conclusions of all debts and obligations of CC Power, to any Members in proportion to the contributions made or in such manner as otherwise provided by law. The Board is vested with all powers of CC Power for the purpose of concluding and dissolving the business affairs of CC Power.

## ARTICLE X. ACCOUNTS AND REPORTS

**Section 10.01 Establishment and Administration of Funds.** CC Power is responsible for the strict accountability of all funds and reports of all receipts and disbursements. It will comply with every provision of law relating to the establishment and administration of funds, particularly Section 6505 of the California Government Code. CC Power shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any resolution, indenture or other instrument of CC Power securing its bonds or other indebtedness, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed pursuant to such resolution, indenture or other instrument. The books and records of CC Power shall be open to inspection at all reasonable times to each Member and its representatives.

**Section 10.02 Annual Audits and Audit Reports.** The Treasurer/Controller shall cause an annual independent audit of the accounts and records of CC Power to be made by a certified public accountant or public accountant in accordance with all applicable laws. If permitted by applicable law and authorized by the Board, the audit(s) may be conducted at the longer interval authorized by applicable law. A report of the financial audit will be filed as a public record with each Member. CC Power will pay the cost of the financial audit and charge the cost against the Members in the same manner as other administrative costs.

## ARTICLE XI. GENERAL PROVISIONS

**Section 11.01 Successors and Assigns.** No Member may assign any right or obligation under this Agreement without the consent of all other Members. This section shall not affect, in any respect, any right of assignment under any Project Agreement.

**Section 11.02 Amendments.** Subject to any requirements of law, a two-thirds (2/3) vote of the entire Board will be required to amend Articles II, III, VIII, and IX of this Agreement. Once an amendment of Articles II, III, VIII, or IX is adopted by the Board, the amendment must be approved by two-thirds of the Members pursuant to that Members' applicable approval process. All other provisions of this Agreement may be amended at any time or from time to time by an amendment approved by at least two-thirds (2/3) vote of the entire Board. Written notice shall be provided to all Members of proposed amendments to this Agreement, including the effective date of such amendments, at least 60 days prior to the date upon which the Board votes on such amendments.

**Section 11.03 Indemnification and Insurance.** To the fullest extent permitted by law, CC Power shall defend, indemnify, and hold harmless the Members and each of their respective Directors, alternates, officers, employees and agents from any and all claims losses damages, costs, injuries and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of CC Power under this Agreement to the extent not otherwise provided under a Project Agreement. CC Power shall acquire such insurance coverage as the Board deems is necessary and appropriate to protect the interests of CC Power and the Members.

**Section 11.04 Notices.** The Board shall designate its principal office as the location at which it will receive notices, correspondence, and other communications, and shall designate one of its Directors or staff as an officer for the purpose of receiving service on behalf of the Board. Any notice given pursuant to this Agreement shall be in writing and shall be dated and signed by the Member giving such notice. Notice to

each Member under this Agreement is sufficient if mailed to the Member and separately to the Member's Director to their respective addresses on file with CC Power.

**Section 11.05 Severability.** Should any portion, term, condition, or provision of this Agreement be determined by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the remaining portions, terms, conditions, and provisions shall not be affected thereby.

**Section 11.06 Section Headings.** The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section to which they refer.

**Section 11.07 Choice of Law.** This Agreement will be governed and construed in accordance with the laws of the State of California.

**Section 11.08 Counterparts.** This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all Members had signed the same instrument.

**Section 11.09 Dispute Resolution.** The Members shall make reasonable efforts to informally settle all disputes arising out of, or in connection with, this Agreement. Should such informal efforts to settle a dispute fail, the dispute shall be mediated in accordance with policies and procedures established by the Board.

*[Signature Page Follows]*



**IN WITNESS WHEREOF**, each of the Members hereto has caused this Agreement to be executed as an original counterpart by its duly authorized representative on the date indicated below.

(Seal)

Attest:

\_\_\_\_\_

Date:

\_\_\_\_\_

CCA Name:

\_\_\_\_\_

Address:

\_\_\_\_\_

\_\_\_\_\_

(Seal)

Attest:

\_\_\_\_\_

Date:

\_\_\_\_\_

CCA Name:

\_\_\_\_\_

Address:

\_\_\_\_\_

\_\_\_\_\_

CONFIDENTIAL DRAFT: Attorney-Client Privilege

(Seal) Date: \_\_\_\_\_  
CCA Name: \_\_\_\_\_  
Attest: Address: \_\_\_\_\_  
\_\_\_\_\_

(Seal) Date: \_\_\_\_\_  
CCA Name: \_\_\_\_\_  
Attest: Address: \_\_\_\_\_  
\_\_\_\_\_

(Seal) Date: \_\_\_\_\_  
CCA Name: \_\_\_\_\_  
Attest: Address: \_\_\_\_\_  
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(Seal) Date: \_\_\_\_\_  
CCA Name: \_\_\_\_\_  
Attest: Address: \_\_\_\_\_  
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CONFIDENTIAL DRAFT: Attorney-Client Privilege

	Date:	_____
(Seal)	CCA Name:	_____
Attest:	Address:	_____
_____		_____

	Date:	_____
(Seal)	CCA Name:	_____
Attest:	Address:	_____
_____		_____

DRAFT