



**AGENDA
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, DECEMBER 16, 2021
1:00 P.M.**

******AB 361******

RE CORONAVIRUS COVID-19

CONSISTENT WITH THE PROVISIONS OF AB 361, MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE WILL PARTICIPATE IN THE DECEMBER 16, 2021 MEETING BY TELECONFERENCE. 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://us06web.zoom.us/j/87970106350>
 - Telephone number: 1 (720) 707-2699
 - Meeting ID: 879 7010 6350

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 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.

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 as soon as possible to ensure arrangements for accommodation.

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

CALL TO ORDER

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.)

COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

1. Approve November 18, 2021 Draft Community Advisory Committee Meeting Minutes (Staff Recommendation: Approve) - pg. 5
2. Approve Community Advisory Committee (CAC) Meeting Dates for 2022 Calendar Year (Staff Recommendation: Approve) - pg. 13

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

3. Receive Internal Operations and Monthly Financial Report and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) - pg. 15
4. Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) - pg. 33
5. Recommend that the Board of Directors Approve and Ratify the Sonoma Clean Power Market Access Program Plan (Staff Recommendation: Approve) - pg. 35
6. Recommend that the Board of Directors Pass a Resolution Opposing the Use of Rail to Transport U.S. Coal for Export (Staff Recommendation: Approve) - pg. 39

COMMITTEE MEMBER ANNOUNCEMENTS

ADJOURN

COMMONLY USED ACRONYMS AND TERMS

| | |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CAC | Community Advisory Committee |
| CAISO | California Independent Systems Operator |
| CCA | Community Choice Aggregation |
| CEC | California Energy Commission |
| CleanStart | SCP's standard service |
| CPUC | California Public Utility Commission |
| DER | Distributed Energy Resource |
| DR | Demand Response |
| ERRA | Energy Resource Recovery Account |
| EverGreen | SCP's 100% renewable, 100% local energy service |
| Geothermal | A locally-available, low-carbon baseload renewable resource |
| GHG | Greenhouse gas |
| GRC | General Rate Case |
| GridSavvy | The GridSavvy Community is SCP's demand response program which offers incentives on smart devices like electric vehicle chargers, smart thermostats, and heat pump water heaters. These devices can then be controlled via a signal to respond to grid needs. |
| IOU | Investor Owned Utility (e.g., PG&E) |
| IRP | Integrated Resource Plan |
| JPA | Joint Powers Authority |
| MW | Megawatt (Power = how fast energy is being used at one moment) |
| MWh | Megawatt-hour (Energy = how much energy is used over time) |
| NEM | Net Energy Metering |
| NetGreen | SCP's net energy metering program |
| PCIA | 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&E prior to their switch.</i>) |
| ProFIT | SCP's "Feed in Tariff" program for larger local renewable energy producers - Fully subscribed |
| RA | Resource Adequacy - a required form of capacity for compliance |
| RPS | The Renewables Portfolio Standard (RPS) is a California regulatory program that sets continuously escalating renewable energy procurement requirements for the state's electricity suppliers. Electricity suppliers must procure a verified percentage of total electricity through RPS-certified renewable facilities. |
| REC | Renewable Energy Credit - process used to track renewable energy for compliance in California. |
| SCP | Sonoma Clean Power |
| TOU | 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, NOVEMBER 18, 2021
1:00 P.M.**

******AB 361******

RE CORONAVIRUS COVID-19

CONSISTENT WITH THE PROVISIONS OF AB 361 WHICH SUSPENDED CERTAIN REQUIREMENTS OF THE BROWN ACT, MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE PARTICIPATED IN THE NOVEMBER 18, 2021, MEETING BY TELECONFERENCE.

CALL TO ORDER

Chair Nicholls called the meeting to order at approximately 1:04 p.m.

Committee Members present: Chair Nicholls and Members Quinlan, Dowd, Sizemore, Chaban, Wells, and Morris.

Staff present: Geof Syphers, Chief Executive Officer; Mike Koszalka, Chief Operating Officer; Stephanie Reynolds, Director of Internal Operations; Chad Asay, Director of the Advanced Energy Center; Rebecca Simonson, Director of Programs; Neal Reardon, Director of Regulatory Affairs; Kate Kelly, Director of Public Relations and Marketing; and Scott Salyer, Programs Manager.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

Public Comment: None

COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

1. Approve September 16, 2021 Draft Community Advisory Committee Meeting Minutes

Motion to Approve the November 18, 2021 Community Advisory Committee Consent Calendar by Member Dowd

Second: Sizemore

Public Comment: None

Motion Passed by Roll Call Vote: 7 - 0 - 0

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

2. Appoint a Vice Chair of the Community Advisory Committee for the Remainder of 2021 and January of 2022

Motion to Appoint Patricia Morris as Vice Chair of the Community Advisory Committee for the Remainder of 2021 and January of 2022 by Chair Nicholls

Second: Wells

Public Comment: None

Geof Syphers, Chief Executive Officer and Stephanie Reynolds, Director of Internal Operations clarified with Chair Nicholls that the regular election of Chair and Vice Chair for 2022, starting in February, would take place at the February 2022 Committee meeting.

Member Quinlan asked why it was necessary to have a formal election again in just a few months. Chair Nicholls responded that new Committee members will be appointed at the Board of Directors meeting on December 2, 2021 for terms beginning in January 2022.

Member Fenichel joined the meeting at approximately 1:07 p.m.

Motion Passed by Roll Call Vote: 8 - 0 - 0

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

Rebecca Simonson, Director of Programs, notified the Committee that at the November 4th, 2021 meeting, the Board of Directors approved an amendment with Olivine, the administrator of the GridSavvy program, to extend the term through March of 2022, add \$169,000 of program management fees, and replenish \$180,000 in escrow account funds (which fund incentives for our customers). It also amended the scope to include additional work relating to adding battery storage and behavioral demand response to the existing GridSavvy community.

Director Simonson continued by introducing Kimberly Beltran, who was recently hired as a Technical Programs Manager.

Chad Asay, Director of the Advanced Energy Center, announced that the Center will soon showcase new upgrades for renters and the upcoming holiday season. He continued with participation and project updates to the on-bill finance program and CEC grant goals. Director Asay also shared that the Advanced Energy Center and the 0% loan program have gained attention across the state and among other CCA's. He gave updates on recent and upcoming events as well as recent webinar successes. Finally, Director Asay introduced the new Events Manager for the Advanced Energy Center, Brytann Busick.

CEO Syphers provided updates on the Geothermal Opportunity Zone initiative headed by Ryan Tracey, Director of Planning & Analytics, which included a recent presentation to the Lake County Board of Supervisors that elicited good engagement from Supervisors. Staff will next address Mendocino County, then Sonoma County, followed by other groups such as permit districts, air districts, and local tribes.

CEO Syphers then moved on to provide updates on CC Power, the joint procurement entity among several California CCA's. They are close to closing a deal for long duration storage. They are also responding to early criticism from labor organizations that CC Power does not have its own independent labor, environmental, or community policies. After months of deliberation and research, it was determined that member CCA's should abide by their own governing board-approved policies and participation in CC Power could not be used as a way to circumvent those policies. CC Power's Board passed a resolution on the matter.

CEO Syphers also gave updates SCP's budgetary statements, revenue, and market prices for energy.

Finally, CEO Syphers provided some background on how SCP is approaching equity issues in our service territory. He highlighted the work of SCP's Communication Specialist, Claudia Sisomphou, with creating the Empower Program. He also mentioned General Order (GO) 156 which is a CPUC supplier diversity initiative. Women, minority, LGBT, and disabled veteran owned or controlled businesses can register for GO 156 certification which can give them access to a broader market of potential clients. SCP staff is encouraging local vendors to apply for GO 156 certification. Additionally, staff is working to create a staff culture that welcomes diverse viewpoints.

Member Quinlan asked Director Asay about the High-Performance Valuation webinar, Advanced Energy Center traffic, supply chain constraints, and contractor availability. Director Asay responded that supply chain and labor availability concerns do remain, however staff are still looking into more solutions to these problems.

Member Quinlan also asked CEO Syphers to clarify financial information on page 16 of the meeting materials as it relates to net-position growth. CEO Syphers stated that value takes into account the real estate asset values of the SCP headquarters building and the Advanced Energy Center. Staff will add this detail to future written reports for clarity.

Member Dowd expressed concerns about SCP's cash reserves over the next several years. CEO Syphers added that he has no intention to dip into SCP's four-months minimum cash reserve and staff is actively working to ensure sound financial planning. Member Dowd also requested a contact person at Sonoma Clean Power he can direct builders and other people to. CEO Syphers gave several options, including directing them to the Advanced Energy Center, as well as reaching out to himself or Rebecca Simonson.

Member Sizemore commended CEO Syphers for his attention and work on reducing any potential barriers on equity and inclusion.

Member Chaban expressed his pride in the work being done at the Advanced Energy Center.

Member Wells pointed out the date of the December Community Advisory Committee meeting was incorrect. Staff clarified the December meeting will be held on December 16, 2021.

Vice Chair Morris asked why revenue from electricity sales was down. CEO Syphers and Director Simonson replied there are several factors including implementation of time-of-use rates and reduced demand charges during the summer due to milder weather. Vice Chair Morris also asked if there were likely any impacts due to COVID. She also asked if staff has a plan to meet with the Sonoma County Board of Supervisors regarding the GeoZone. CEO Syphers replied that there isn't a date yet, but it's likely to be in February.

Chair Nicholls echoed the sentiments of several others regarding the topic of equity. He encouraged working with a consultant to conduct a seminar for staff and Committee members on equity and microaggressions.

Member Fenichel asked how the passing of the federal infrastructure bill which includes electric vehicle funding will affect SCP. CEO Syphers responded that staff is still studying it.

Public Comment: None

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

Neal Reardon, Director of Regulatory Affairs, gave a verbal report on the joint settlement between CCA's, PG&E, and Public Advocates Office regarding PG&E's 2020 ERRA Application that was included in the written report.

CEO Syphers gave a brief legislative update that staff is continuing to monitor the federal infrastructure bill and that details are likely to become available over the next month or so. Relating to state legislature, he recalled the bankruptcy of Western Community Energy and recognized that it could lead to a state bill intending to financially regulate CCA's. CalCCA is already beginning work to prepare for that possibility.

Chair Nicholls asked CEO Syphers about the closure of City of Baldwin Park's municipal utility and the fees being posed upon customers for re-entry to Southern California Edison (SCE) service.

Member Sizemore posed questions about PG&E's 100% solar rate and suggested it could be a motivator to endorse the NEM 3.0 proposal. CEO Syphers provided some background on the challenges relating to NEM 3.0 and rooftop solar subsidies.

Member Quinlan commended Director Reardon for his work in the ERRA settlement.

Member Fenichel asked for more detail on the changes proposed under NEM 3.0. She also asked for clarification on who regulates finances for CCA's currently. CEO Syphers replied that the individual CCA governing boards do.

Public Comment: None

5. Recommend that the Board of Directors Delegate Authority to the CEO to Execute a Professional Services Agreement with StopWaste in the Amount Not-To-Exceed of \$300,000 (\$30,000 in Administration Fees and \$270,000 in Customer Incentives) to Provide SCP Incentives Through the BayREN Multifamily Building Enhancement (BAMBE) Program

Scott Salyer, Programs Manager, briefed the Committee on a pilot program staff has worked on to address the multifamily rental market. This program would add on to what is offered through BayREN to offer additional incentives for in-unit and central electrical panel upgrades for multifamily buildings. StopWaste is the program implementer for BayREN. Because BayREN does not operate in Mendocino County, this pilot program will be available only in Sonoma County, however staff is working to explore options to offer a similar

program in Mendocino County.

Member Quinlan suggested modifying the motion for this item to delegate authority to the CEO *or designee*. He also asked about prevailing wage requirements, noting that the agreement with StopWaste indicates that “Exhibit D - Prevailing Wage Requirements” is not included. CEO Syphers provided background on where prevailing wage requirements apply and stated that staff would review standards of prevailing wage language and return to a future meeting, in three to four months, to continue that discussion.

Member Dowd expressed support along with concerns about not including Mendocino County. CEO Syphers responded that he has been in communications with Dan Gjerde, Mendocino County’s 4th District Supervisor who sits on SCP’s Board of Directors. Mendocino County is exploring establishing a REN (regional energy network) which would allow Mendocino County to gain access to these types of funding. CEO Syphers supports having SCP staff spend time and money in aiding Mendocino County to establish a REN.

Member Wells posed questions about how the program will measure and monitor progress. He would like to learn more about metrics such as the number of facilities in the program and CO₂ reduction per dollar to compare and contrast with other programs. CEO Syphers responded that staff would consider options. Mr. Salyer added that while the panel upgrade is a barrier, upgrading the panel itself doesn’t necessarily save energy. Upgrading the panel is preventing people from going forward with other measures that do save energy.

Vice Chair Morris asked staff to clarify the term of the agreement. Mr. Salyer replied that the term will end December 31, 2022 as currently written in the agreement.

Chair Nicholls asked if this program could apply to mobile home parks. Mr. Salyer replied that it’s for traditional multi-family buildings. Director Simonson added that staff is working internally on solutions to help electrify mobile home parks. More information on these efforts will be presented in the future.

Public Comment: None

Member Sizemore left the meeting at approximately 2:52 p.m.

Motion to Recommend that the Board of Directors Delegate Authority to the CEO or Designee to Execute a Professional Services Agreement with StopWaste in the Amount Not-To-Exceed of \$300,000 (\$30,000 in Administration Fees and \$270,000 in Customer Incentives) to Provide SCP

Incentives Through the BayREN Multifamily Building Enhancement (BAMBE) Program by Member Quinlan

Second: Chaban

Motion Passed by Roll Call Vote: 7 - 0 - 0

6. Recommend that the Board of Directors Delegate Authority to the Chief Executive Officer or Designee to Execute a Professional Services Agreement with Nexo Advertising, LLC in the Amount Not-To-Exceed \$375,000 to Provide Sonoma Clean Power with Multi-Cultural Agency Services Through June 30, 2024

Kate Kelly, Director of Public Relations and Marketing, gave background on the request for proposal (RFP) process SCP utilized to seek proposals for multi-cultural agency services. Ultimately, staff selected a local agency, Nexo Advertising LLC, that has previously worked with SCP.

Member Wells requested examples of Nexo Advertising's previous work for SCP.

Member Chaban highlighted portions of the agreement's Scope of Services on that were written in a confusing manner. Director Kelly responded staff will correct these issues. CEO Syphers added background for Nexo Advertising. He shared that staff encouraged business owners whose first language is not English to apply.

Member Quinlan asked if Nexo Advertising is a minority-owned business. Director Kelly confirmed. CEO Syphers added that after SCP's encouragement, Nexo Advertising's owner, Hector Velasquez, registered with the CPUC for GO 156 certification and went on to attend the CPUC workshop to put his name out there for other CCA's and investor-owned utilities to gain access to other potential opportunities.

Motion to Recommend that the Board of Directors Delegate Authority to the Chief Executive Officer or Designee to Execute a Professional Services Agreement with Nexo Advertising, LLC in the Amount Not-To-Exceed \$375,000 to Provide Sonoma Clean Power with Multi-Cultural Agency Services Through June 30, 2024 by Member Wells

Second: Quinlan

Public Comment: None

Motion Passed by Roll Call Vote: 7 - 0 - 0

COMMITTEE MEMBER ANNOUNCEMENTS

Vice Chair Morris announced that as a result of dredging of the Petaluma River, the Petaluma Lighted Boat Parade will resume this year on Saturday, December 11th.

ADJOURN

The meeting was adjourned by unanimous consent at approximately 3:09 p.m.



Staff Report - Item 02

To: Sonoma Clean Power Authority Community Advisory Committee

From: Stephanie Reynolds, Director of Internal Operations

Issue: Approve Community Advisory Committee (CAC) Meeting Dates for 2022 Calendar Year

Date: December 16, 2021

Recommendation:

Approve Community Advisory Committee Meeting Dates for 2022 Calendar Year.

Background:

As prescribed in Sonoma Clean Power's ("SCP") Joint Powers Agreement, the Community Advisory Committee ("CAC") is required to meet a minimum of six times per year. Prior to 2021, staff historically scheduled meetings on an as-needed basis. Since 2021, meetings have been held on a regular schedule to aid with planning and preparation.

Discussion:

The proposed schedule, included as an attachment, would continue to fix the CAC meeting schedule to the 3rd Thursday of each month. Planning the dates in advance would not prohibit the Chair or Vice Chair from cancelling a meeting should there be a light agenda and/or a lack of a quorum on the pre-determined meeting date.

Staff anticipates meetings will continue to be held via the Zoom webinar teleconference format until further notice as allowed consistent with the provisions of AB 361, which suspended certain requirements of the Brown Act due to the COVID-19 pandemic.

Attachments:

- 2022 SCPA Community Advisory Committee Meeting Schedule



**Sonoma Clean Power Authority
Community Advisory Committee
Schedule of Meetings
January - December 2022
1:00 P.M.**

(The Committee normally meets on 3rd Thursdays each month)

January 20, 2022

February 17, 2022

March 17, 2022

April 21, 2022

May 19, 2022

June 16, 2022

July 21, 2022

August - NO MEETING

September 15, 2022

October 20, 2022

November 17, 2022

December 15, 2022



Staff Report - Item 03

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: December 16, 2021

CAC APPOINTMENTS APPROVED BY BOARD OF DIRECTORS

At the December 2, 2021, meeting of the SCP Board of Directors, the Board voted to appoint the following volunteers for six seats on the committee with terms starting in January 2022. Per the SCP JPA, the committee can be comprised of between 7-11 members. The six appointees are:

- Dick Dowd (reappointment) - 4-year term
- Denis Quinlan (reappointment) - 4-year term
- Sarah Booth - 4-year term
- Jeff Kelly - 4-year term
- Crispin Hollinshead - 2-year term
- Spencer Lipp - 2-year term

The ad hoc committee of the Board that was responsible for review of applications and recommending appointees will meet in January to determine how and when to fill the one remaining vacancy on the Committee.

AB 361 VIRTUAL MEETINGS

At the December 2, 2021, meeting of the SCP Board of Directors, the Board authorized an extension of Resolution 2021-05 to permit a continuation of remote

teleconference meetings pursuant to AB 361. Resolution 2021-05 shall be effective for 30 days following the vote or until re-extended by a majority vote of the Board.

MARKETING UPDATE

Sonoma Clean Power is benefiting those in need and spreading cheer throughout our communities this holiday season. We are communicating these efforts through a combination of print, social, web and electronic billboard advertising.

Fighting Food Insecurity

- Food & Fund Drives to benefit Sonoma & Mendocino County food banks
- Drive Up Donation Station @ Redwood Empire Food Bank (held 12/10)
- Redwood Empire Food Bank barrels at the Advanced Energy Center and Sonoma Clean Power Headquarters
- Donations to food banks in Sonoma & Mendocino counties

Helping those less fortunate

- Sonoma County
 - Secret Santa/Adopt a Heart Program
 - KZST Adopt a Letter
- Mendocino County
 - Ukiah Valley Christmas Effort

Spreading Cheer

- Sponsor, Lighting the Sonoma Plaza, 11/20/21
- Sponsor, Santa Rosa Metro Chamber of Commerce's Winter Lights Celebration
 - Courthouse Square Ice-Skating Rink 11/19/21 - 1/5/22
- Sponsor, Ukiah Valley Christmas Effort
- Presenting Sponsor, Winter Ice Shows - Snoopy's Home Ice
 - (3) Twenty Minute Shows 12/18/21

Visit our website for updates and ways to participate!

ADVANCED ENERGY REBUILD (AER)

In late 2017, following devastating local wildfires, SCP partnered with the Bay Area Air Quality Management District (BAAQMD) and Pacific Gas and Electric Company

sonomacleanpower.org

(PG&E) to help those who lost homes rebuild them more efficiently and resiliently. In February 2018, the Board of Directors approved up to \$6 million in incentive funding for the resulting Advanced Energy Rebuild program. Then in November 2019, the Board approved the shift of \$2 million of these incentives to Advanced Energy Build, a program aimed at the broader new construction market.

Over 387 homes enrolled for Advanced Energy Rebuild, with 297 having completed the program to date. Of the total enrolled, there are 261 single-family homes, 96 multi-family units, and 30 accessory dwelling units (ADU). AER homes perform 25% better than code and 30% are all-electric. In total, these homes are expected to add 620 kW in solar PV and 580 kWh in battery storage capacity.

After initially establishing a project completion deadline of November 15, 2021, PG&E recently agreed to support all enrolled projects through November 15, 2022. BAAQMD will fund their portion of close-out incentives through December 31, 2021, per terms of our related grant, after which SCP will fund their portion. In addition, SCP expects to cover about \$80,000 in previously-paid BAAQMD enrollment incentives on incomplete projects. SCP will support all enrolled projects through November 15, 2022, after which no additional projects will be accepted for completion.

To date, combined incentives paid by all partners totals \$3,172,400. This includes \$1,658,480 from SCP, \$934,845 from PG&E, and \$579,075 from BAAQMD. Staff estimates \$534,000 in remaining incentives are outstanding, with \$354,000 expected to be covered by SCP through 2022. At program completion, staff expects SCP to have provided just over \$2M in incentives to Advanced Energy Rebuild customers. The table below shows SCP incentives paid to date, along with expected spending through 2022.

| Year | SCP Incentives |
|---------------------|-----------------------|
| 2018 | \$191,340 |
| 2019 | \$450,375 |
| 2020 | \$646,700 |
| 2021 (to date) | \$370,065 |
| 2022 (expected) | \$354,000 |
| Total (est.) | \$2,012,480 |

ADVANCED ENERGY CENTER

The Advanced Energy Center has a new display area for simple solutions of how to electrify your home. Solutions from E-fireplaces, air fryers, and portable induction that can help you live without gas while providing an improved cooking and healthy life while living all electrically.

Staff are proud report we have 181 active energy efficient installation projects, 25% of which are financed under the 0% loan program. Over 47% or 141,000 of the 300,000 sq foot goal from the CEC grant has been met. The two leading technology types are induction cooktops and heat pump water heaters. The heat pump water heater is proving to be the most energy efficient product you can install to lower the greenhouse gas emissions and eliminate carbon monoxide within the home.

MONTHLY COMPILED FINANCIAL STATEMENTS

The year-to-date change in net position is slightly worse than projections due primarily to greater than expected cost of energy. Revenue from electricity sales is close to budget projections, and cost of energy is more than expectations by approximately 12%. Year-to-date electricity sales reached \$63,903,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position is a positive \$92,262,000. In addition to Net Position, SCP maintains an Operating Account Fund of \$26,000,000 at the end of the period. Approximately \$72,385,000 is set aside for reserves (Operating Reserve: \$59,294,000; Program Reserve: \$10,858,000; and Collateral Reserve: \$2,233,000).

Aside from cost of energy, overall other operating expenses continued near or slightly below planned levels for the year.

BUDGETARY COMPARISON SCHEDULE

The accompanying budgetary comparison includes the 2021/22 budget approved by the Board of Directors in June 2022.

The budget is formatted to make comparisons for both the annual and the year-to-date perspective. The first column, 2021/22 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 on target with the budget at the end of the reporting period.

The cost of electricity is more than the budget-to-date by approximately 12%. Variation in this account is 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.

SIGNIFICANT 2022 AND 2023 FINANCIAL UPDATE

With the recent release of PG&E's November estimates for their 2022 exit fees on SCP's customers (the "PCIA") and PG&E's estimated 2022 generation rates, a fairly major financial event is now forecast by SCP staff. Because of the much higher-than-expected energy market prices in 2021, PG&E has over-collected the PCIA this year and estimates a much lower PCIA in 2022. Currently, staff expect the total PCIA to drop by about \$70 million in 2022 for SCP customers alone - a major drop. That's the good news.

The bad news is that it is reasonably likely to see the PCIA rise by almost as much in 2023 or 2024 as this drop in 2022. That 'whiplash' event could occur, for example, if energy market prices start to fall in 2022, causing PG&E to do three things in 2023: (a) recover any under-collection of the PCIA from 2022, (b) increase the basis for the 2023 PCIA because of lower forecast market prices in 2023, and (c) lower PG&E's generation charges in 2023. All three of those factors would squeeze SCP's ability to cover energy expenses.

Staff will return in January or February with a detailed plan to address this forecast along with more details we will have by that meeting. But at this time, staff anticipate working to build substantial cash reserves in 2022 with a plan to return a substantial fraction of the new reserves to ratepayers in 2023 or 2024 to smooth out the costs of energy bills for customers.

ATTACHMENTS

- SCP Resolution 2021-05
- Snoopy's Holiday Ice Skating Show (flier)
- October 2021 Financials

UPCOMING MEETINGS

- Board of Directors - January 6, 2022
- Community Advisory Committee - January 20, 2022 (*pending Committee approval*)

RESOLUTION NO. 2021 - 05

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA CLEAN POWER
AUTHORITY AUTHORIZING VIRTUAL BOARD AND COMMITTEE MEETINGS
PURSUANT TO AB 361**

WHEREAS, the Sonoma Clean Power Authority (“SCP”) is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of SCP’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 - 54963), so that any member of the public may attend and participate in SCP’s meetings; and

WHEREAS, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor issued a number of executive orders aimed at containing the COVID-19 virus; and

WHEREAS, among other things, these orders waived certain requirements of the Brown Act to allow legislative bodies to meet virtually; and

WHEREAS, pursuant to the Governor’s executive orders, SCP has been holding virtual meetings during the pandemic in the interest of protecting the health and safety of the public, SCP staff, and Directors; and

WHEREAS, the Governor’s executive order related to the suspension of certain provisions of the Brown Act expired on September 30, 2021; and

WHEREAS, on September 16, 2021 the Governor signed AB 361 (in effect as of October 1, 2021 - Government Code Section 54953(e)), which allows legislative bodies to meet virtually provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in SCP, specifically, a state of emergency has been proclaimed related to COVID-19, Sonoma and Mendocino County officials are imposing and recommending measures to promote social distancing, and because of the ongoing threat of COVID-19, meeting in person would present imminent risks to the health and safety of attendees;

WHEREAS, these recommendations include the September 24, 2021 Recommendation of the Sonoma County Health Officer Dr. Sundari R. Mase which outlines specific social distancing recommendations for in-person meetings by local agencies within Sonoma County;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SONOMA CLEAN POWER AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Remote Teleconference Meetings: Consistent with the provisions of Government Code Section 54953(e), the Board of Directors finds and determines that (1) a state of emergency related to COVID-19 is currently in effect; (2) local officials in Sonoma and Mendocino Counties have imposed or recommended measures to promote social distancing in connection with COVID-19, including indoor mask requirements and minimum recommend distance between attendees; and (3) due to the COVID-19 emergency, meeting in person would present imminent risks to the health and safety of attendees. Based on such facts, findings and determinations, the Board authorizes staff to conduct remote teleconference meetings of the Board of Directors, including the Community Advisory Committee and other legislatives bodies, under the provisions of Government Code Section 54953(e).

Section 3. Effective Date of Resolution. This Resolution shall take effect October 7, 2021, and shall be effective for 30 days or until this Resolution is extended by a majority vote of the Board of Directors in accordance with Section 4 of this Resolution.

Section 4. Extension by Motion. The Board of Directors may extend the application of this Resolution by motion and majority vote by up to thirty days at a time, provided that it makes all necessary findings consistent with and pursuant to the requirements of Section 54953(e)(3).

PASSED AND ADOPTED by the Board of Directors of the Sonoma Clean Power Authority this 7th day of October 2021, by the following vote:


| JURISDICTION | NAME | AYE | NO | ABSTAIN/ ABSENT |
|---------------------|------------------|-----|----|--------------------|
| Cloverdale | Director Bagby | X | | |
| Cotati | Director Landman | X | | |
| Fort Bragg | Director Peters | X | | |
| Petaluma | Director King | X | | |
| Rohnert Park | Director Elward | X | | |
| Santa Rosa | Director Rogers | | | X |
| Sebastopol | Director Slayter | X | | |
| Sonoma | Director Felder | X | | |
| Windsor | Director Fudge | X | | |
| County of Mendocino | Director Gjerde | X | | |
| County of Sonoma | Director Hopkins | X | | |

In alphabetical order by jurisdiction



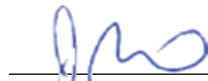
Chair, Sonoma Clean Power Authority

Attest:



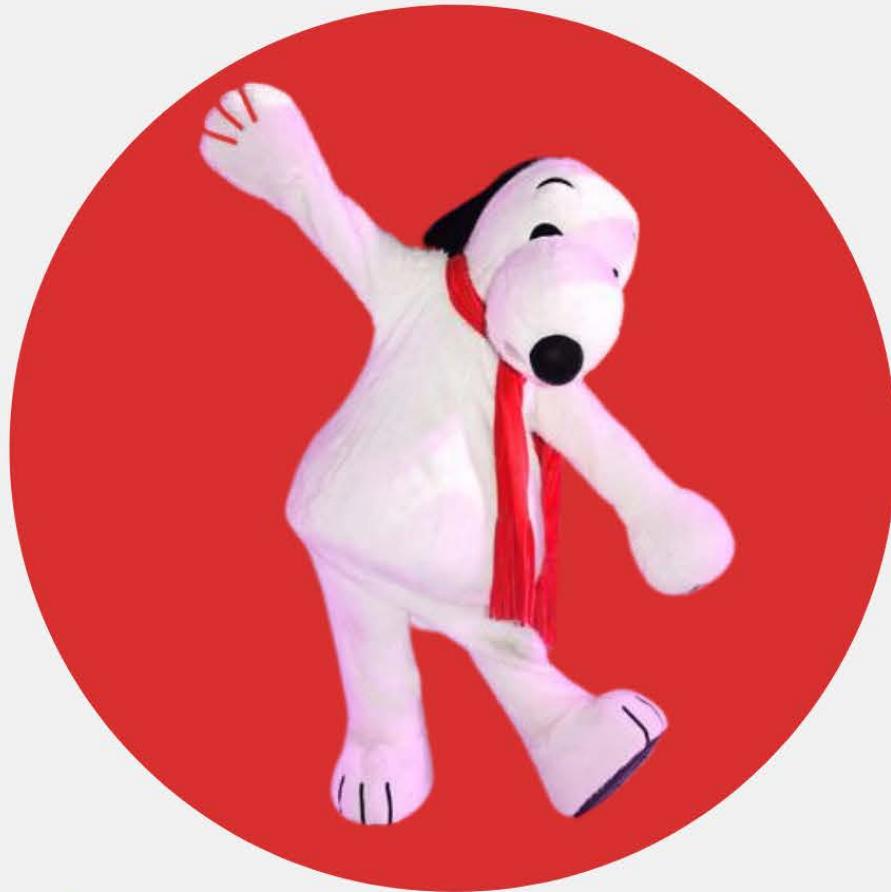
Clerk of the Board

APPROVED AS TO FORM:



Special Counsel,
Sonoma Clean Power Authority

HOLIDAY ICE SKATING SHOW



SNOOPY'S HOME ICE
REDWOOD EMPIRE ICE ARENA

Saturday December 18th
at 3:45pm, 5pm & 6:30pm

Sponsored by

 **Sonoma
Clean Power**



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 October 31, 2021, 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
November 23, 2021

**SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Four Months Ended October 31, 2021**

| | 2021/22 YTD Budget | 2021/22 YTD Actual | 2021/22 YTD Budget Variance (Under) Over | 2021/22 YTD Actual / Budget % | 2021/22 Budget | 2021/22 Budget Remaining |
|---------------------------------------------------|-----------------------|-----------------------|------------------------------------------------|----------------------------------|--------------------|-----------------------------|
| REVENUE AND OTHER SOURCES: | | | | | | |
| Electricity (net of allowance) * | \$ 63,195,101 | \$ 63,195,695 | \$ 594 | 100% | \$ 179,277,000 | \$ 116,081,305 |
| Evergreen Premium (net of allowance) | 633,817 | 707,421 | 73,604 | 112% | 2,074,000 | 1,366,579 |
| Inflow from Operating Account Fund Reserves | - | - | - | 0% | 1,353,000 | 1,353,000 |
| CEC Grant | 688,333 | 376,208 | (312,125) | 55% | 2,065,000 | 1,688,792 |
| BAAQMD grant | 16,667 | 41,500 | 24,833 | 249% | 50,000 | 8,500 |
| Interest income | 280,000 | 83,769 | (196,231) | 30% | 840,000 | 756,231 |
| Revenue - Liquidated damages | - | 216,013 | 216,013 | - | - | (216,013) |
| Total revenue and other sources | <u>64,813,918</u> | <u>64,620,606</u> | <u>(193,312)</u> | <u>100%</u> | <u>185,659,000</u> | <u>121,038,394</u> |
| EXPENDITURES AND OTHER USES: | | | | | | |
| CURRENT EXPENDITURES | | | | | | |
| Cost of energy and scheduling | 58,835,926 | 66,061,751 | 7,225,825 | 112% | 159,436,000 | 93,374,249 |
| Data management | 1,065,717 | 1,062,089 | (3,628) | 100% | 3,198,000 | 2,135,911 |
| Service fees- PG&E | 324,045 | 323,169 | (876) | 100% | 973,000 | 649,831 |
| Personnel | 2,066,667 | 1,611,008 | (455,659) | 78% | 6,200,000 | 4,588,992 |
| Outreach and communications | 450,000 | 246,961 | (203,039) | 55% | 1,350,000 | 1,103,039 |
| Customer service | 121,000 | 137,455 | 16,455 | 114% | 363,000 | 225,545 |
| General and administration | 380,000 | 278,700 | (101,300) | 73% | 1,140,000 | 861,300 |
| Legal | 136,667 | 132,152 | (4,515) | 97% | 410,000 | 277,848 |
| Regulatory and compliance | 143,333 | 54,514 | (88,819) | 38% | 430,000 | 375,486 |
| Accounting | 81,667 | 62,000 | (19,667) | 76% | 245,000 | 183,000 |
| Legislative | 40,000 | - | (40,000) | 0% | 120,000 | 120,000 |
| Other consultants | 75,000 | 172,486 | 97,486 | 230% | 225,000 | 52,514 |
| Industry memberships and dues | 178,667 | 183,548 | 4,881 | 103% | 536,000 | 352,452 |
| Program implementation | 1,880,000 | 449,320 | (1,430,680) | 24% | 5,640,000 | 5,190,680 |
| Program - CEC grant | 1,333,333 | 475,469 | (857,864) | 36% | 4,000,000 | 3,524,531 |
| Total current expenditures | <u>67,112,022</u> | <u>71,250,622</u> | <u>4,138,600</u> | <u>106%</u> | <u>184,266,000</u> | <u>113,015,378</u> |
| OTHER USES | | | | | | |
| Capital outlay | 464,333 | 525,867 | 61,534 | 113% | 1,393,000 | 867,133 |
| Total Expenditures, Other Uses and Debt Service | <u>67,576,355</u> | <u>71,776,489</u> | <u>4,200,134</u> | <u>106%</u> | <u>185,659,000</u> | <u>113,882,511</u> |
| Net increase (decrease) in available fund balance | <u>\$ (2,762,437)</u> | <u>\$ (7,155,883)</u> | <u>\$ (4,393,446)</u> | | <u>\$ -</u> | <u>\$ 7,155,883</u> |

* Represents sales of approximately 754,000 MWh for 2021/22 YTD actual.

| | Current Balance | % of Long-Term Term Target | Long-Term Target Balance |
|-------------------------|----------------------|-------------------------------|-----------------------------|
| RESERVES | | | |
| Operating Cash Reserve | \$ 59,294,000 | 64% | \$ 92,133,000 |
| Program Cash Reserve | 10,858,000 | 59% | 18,426,600 |
| Collateral Cash Reserve | 2,233,000 | 14% | 15,943,600 |
| | <u>\$ 72,385,000</u> | <u>57%</u> | <u>\$ 126,503,200</u> |

SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
Four Months Ended October 31, 2021

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Net increase (decrease) in available fund balance per budgetary comparison schedule: | \$ (7,155,883) |
| Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position: | |
| Subtract depreciation expense | (453,164) |
| Add back capital asset acquisitions | 542,817 |
| Add back certain program expenses recognized for budget purposes only | <u>(360,000)</u> |
| Change in net position | <u><u>\$ (7,426,230)</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 October 31, 2021, 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
November 23, 2021

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of October 31, 2021

ASSETS

| | |
|----------------------------------------------|--------------------|
| Current assets | |
| Cash and cash equivalents | \$ 49,022,715 |
| Accounts receivable, net of allowance | 21,296,596 |
| Other receivables | 2,461,605 |
| Accrued revenue | 7,589,022 |
| Prepaid expenses | 1,246,395 |
| Deposits | 4,142,714 |
| Total current assets | <u>85,759,047</u> |
| Noncurrent assets | |
| Unrestricted cash in Rate Stabilization Fund | 26,000,000 |
| Deposits | 6,160,922 |
| Land | 860,520 |
| Capital assets, net of depreciation | 19,129,706 |
| Total noncurrent assets | <u>52,151,148</u> |
| Total assets | <u>137,910,195</u> |

LIABILITIES

| | |
|-----------------------------------------------------------|-------------------|
| Current liabilities | |
| Accrued cost of electricity | 15,725,910 |
| Accounts payable | 1,006,054 |
| Other accrued liabilities | 2,435,668 |
| User taxes and energy surcharges due to other governments | 480,580 |
| Total current liabilities | <u>19,648,212</u> |

DEFERRED INFLOWS OF RESOURCES

| | |
|-------------------------|------------|
| Rate Stabilization Fund | 26,000,000 |
|-------------------------|------------|

NET POSITION

| | |
|------------------------------|----------------------|
| Investment in capital assets | 19,990,226 |
| Unrestricted | 72,271,757 |
| Total net position | <u>\$ 92,261,983</u> |

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Four Months Ended October 31, 2021

OPERATING REVENUES

| | |
|-------------------------------|-------------------|
| Electricity sales, net | \$ 63,195,695 |
| Evergreen electricity premium | 707,421 |
| Grant revenue | 417,708 |
| Liquidated damages | 216,013 |
| Total operating revenues | <u>64,536,837</u> |

OPERATING EXPENSES

| | |
|--------------------------------|--------------------|
| Cost of electricity | 66,061,751 |
| Contract services | 2,857,350 |
| Staff compensation | 1,611,008 |
| General and administration | 587,863 |
| Program rebates and incentives | 475,700 |
| Depreciation | 453,164 |
| Total operating expenses | <u>72,046,836</u> |
| Operating income (loss) | <u>(7,509,999)</u> |

NONOPERATING REVENUES (EXPENSES)

| | |
|---------------------------------------|---------------|
| Interest income | 83,769 |
| Nonoperating revenues (expenses), net | <u>83,769</u> |

CHANGE IN NET POSITION

| | |
|-------------------------------------|----------------------|
| Net position at beginning of period | (7,426,230) |
| Net position at beginning of period | <u>99,688,213</u> |
| Net position at end of period | <u>\$ 92,261,983</u> |

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS
Four Months Ended October 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--------------------------------------------------|--------------------|
| Receipts from customers | \$ 63,617,905 |
| Other operating receipts | 1,657,112 |
| Payments to electricity suppliers | (65,287,356) |
| Payments for other goods and services | (3,903,324) |
| Payments for staff compensation | (1,724,567) |
| Tax and surcharge payments to other governments | (886,222) |
| Payments for program rebates and incentives | (516,341) |
| Net cash provided (used) by operating activities | <u>(7,042,793)</u> |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|------------------------------------|--------------------|
| Payments to acquire capital assets | <u>(3,146,741)</u> |
|------------------------------------|--------------------|

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|--------------------------------------------------|----------------|
| Interest income received | <u>115,883</u> |
| Net cash provided (used) by investing activities | <u>115,883</u> |

| | |
|------------------------------------------------|-----------------------------|
| Net change in cash and cash equivalents | (10,073,651) |
| Cash and cash equivalents at beginning of year | <u>85,096,366</u> |
| Cash and cash equivalents at end of period | <u><u>\$ 75,022,715</u></u> |

Reconciliation to the Statement of Net Position

| | |
|-----------------------------------------------------|-----------------------------|
| Unrestricted cash and cash equivalents (current) | \$ 49,022,715 |
| Unrestricted cash and cash equivalents (noncurrent) | <u>26,000,000</u> |
| Cash and cash equivalents | <u><u>\$ 75,022,715</u></u> |

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF CASH FLOWS (continued)
Four Months Ended October 31, 2021

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

| | |
|--------------------------------------------------------------------------------------------------|-----------------------|
| Operating income (loss) | \$ (7,509,999) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities | |
| Depreciation expense | 453,164 |
| Revenue adjusted for allowance for uncollectible accounts | 1,304,147 |
| (Increase) decrease in: | |
| Accounts receivable | (3,825,614) |
| Other receivables | (950,761) |
| Accrued revenue | 1,389,582 |
| Prepaid expenses | (136,053) |
| Deposits | (349,798) |
| Increase (decrease) in: | |
| Accrued cost of electricity | 1,936,914 |
| Accounts payable | (412,009) |
| Accrued liabilities | (596,777) |
| User taxes due to other governments | (39,548) |
| Supplier security deposits | 1,693,959 |
| Net cash provided (used) by operating activities | <u>\$ (7,042,793)</u> |

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Staff Report - Item 04

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: December 16, 2021

Requested Action:

Receive Legislative and Regulatory Updates and provide feedback as appropriate.

Regulatory Update:

Proposed Decision Rebuking PG&E's Management of "100% Solar Choice" Rate

On November 11th, a CPUC judge issued a Proposed Decision granting a petition Sonoma Clean Power filed that would disallow PG&E from subsidizing their Green Tariff Shared Renewable ("GTSR") customers. This subsidy is what allowed PG&E to offer their "100% Solar Choice" tariff at a cheaper rate than PG&E's baseline service, as well as SCP's CleanStart and EverGreen tariffs. If adopted by the Commission, this Proposed Decision would 1) disallow PG&E from enrolling additional customers, 2) require them to procure additional resources to serve the customers already enrolled, and 3) adopt the methodology for calculating GTSR costs proposed by CCA staff.

SB 43 (Wolk, 2013) required the State's three IOUs to offer customer the GTSR: a 100% renewable tariff. PG&E was required to offer up to 207 MW of solar capacity to residential and non-residential customers. However, demand for the tariff remained low. PG&E's participating customers only filled 35 MW of that 207 MW cap. PG&E's interpretation of recent changes to the PCIA methodology resulted in a subsidy to their Green Tariff Shared Renewables customers. This subsidy was so significant that the GTSR tariff was less expensive than regular bundled service. Demand for the tariff

immediately increased, with PG&E enrolling 235 MW by April of 2021. Not only was this 235 MW in excess of the cap, PG&E did not develop new resources to provide energy for the tariff marketed as “100% renewable”.

SCP and other CCAs filed a joint petition to alert the CPUC to this inequity and modify how PG&E calculates the cost to provide a GTSR rate. The assigned judge was very critical of PG&E for continuing to enroll customers beyond the cap, and for failing to construct new resources to serve these customers - the intent of SB 43.

If the judge’s Proposed Decision is adopted by the CPUC, PG&E would have to implement changes within 45 days.

Legislative Update:

Governor Newsom selected Alice Reynolds for the new CPUC President when Marybel Batjer leaves at the end of 2021. Ms. Reynolds has served as the Governor’s lead on such tough energy topics as utility-caused wildfires, PG&E’s bankruptcy and the summer capacity shortage and blackouts. Her experience with energy and climate policy is significant and deep, having advised Governor Brown on those subjects and also working for the EPA and serving as a Deputy Attorney General under Jerry Brown.

On November 15, President Biden signed a \$1.2 trillion infrastructure bill into law, kicking off federal investment into bridges, roads, transit, ports, broadband service, water and energy. It represents the largest investment into buses and trains in the last 50 years, and much of that funding will go toward electrification of transit. Other notable elements include:

- \$7.5 billion for zero and low-emission school and city buses, and ferries
- \$7.5 billion for electric vehicle charging stations
- A \$900 tax rebate for purchasing electric bicycles (up to 30% of the cost)
- A restoration of the geothermal tax credit, which had expired last year
- \$55 billion for water infrastructure projects, including modifications to address climate-caused droughts



Staff Report - Item 05

To: Sonoma Clean Power Authority Community Advisory Committee

From: Rebecca Simonson, Director of Programs
Neal Reardon, Director of Regulatory Affairs

Issue: Recommend that the Board of Directors Approve and Ratify the Sonoma Clean Power Market Access Program Plan

Date: December 16, 2021

Recommendation

Staff requests that the Community Advisory Committee ("CAC") recommend that the Board of Directors approve and ratify Sonoma Clean Power's Market Access Program Plan. The Market Access Program ("MAP") plan is provided as Attachment A to the Elect to Administer Advice Letter "ETA AL" provided in Attachment A. The ETA AL was filed with the California Public Utility Commission "CPUC") on December 1, 2021.

Background

CPUC Energy Efficiency programs (mostly administered by PG&E and BayREN in SCP territory) are funded by non-bypassable charges collected from electric ratepayers' distribution rates. SCP customers pay these charges on PG&E's portion of the bill. CCAs can also administer programs with these funds through an Advice Letter "AL" process. CPUC Decision D.14-01-033, Decision Enabling Community Choice Aggregators to Administer Energy Efficiency Programs, established the rules for CCAs to submit ALs to elect to administer ("ETA") energy efficiency programs for their own customers.

Until now, SCP has chosen to not seek access to this funding for the following reasons:

1. SCP customers can still participate in PG&E administered energy efficiency programs.

2. The CPUC process, reporting, and cost effectiveness requirements were burdensome and did not allow SCP to be nimble and flexible
3. Energy efficiency programs did not cover fuel switching or peak load shifting strategies and did not adequately account for their benefits in the required programs evaluation and measurement and cost effectiveness calculations.
4. SCP was interested in more impactful and far-reaching programs that were out of the energy efficiency programs box.

On October 29, 2021, the CPUC issued a Proposed Decision on Energy Efficiency Actions to Enhance Summer 2022 and 2023 Electric Reliability (“PD”) that included an Emergency Market Access Program “EMAP” that specifically addressed peak load shifting for reliability and grid support. Given the urgent need to address summer reliability and the focus more on load shifting than energy efficiency, the CPUC has created a separate pool of funding for the EMAP that will not be subject to the standard cost effectiveness computing. A standard Market Access Program “MAP” can utilize standard CPUC Energy Efficiency funding that is subject to cost effectiveness, however an EMAP can utilize an additional set of funding.

For the first time, the EMAP in the CPUC Proposed Decision is in alignment with programs and strategies that SCP has already heavily invested in. Thus, SCP proposes to administer a MAP with CPUC funding. SCP filed an ETA AL on December 1, 2021 to seek funding for SCP to administer a MAP. The advice letter sought to gain access to Energy Efficiency Programs funding as well as funding from the CPUC’s EMAP.

This is a milestone for SCP, as this is the first time SCP has applied for CPUC funding. SCP made this decision for the following reasons:

1. Though SCP does not currently have a MAP, the EMAP is in alignment with strategies and programs SCP is already implementing.
2. If SCP were to launch a similar MAP without CPUC funding, the program would compete with PG&E’s same program and our customers would effectively be paying twice; once through their non-bypassable charges and second through SCP’s programs budget.
3. If SCP defers to PG&E to run the program in our territory, the program would not be tailored to SCP customer needs and would give PG&E control over our customers’ load management with no forecasting or budgeting insight for SCP.

4. MCE partnered with the company, Recurve, to deliver a 2021 program that served as the premise for the CPUC Proposed Decision. SCP can efficiently and effectively replicate the program with a partnership with Recurve.

Discussion

Attachment A provides SCP's ETA AL and outlines SCP's proposed MAP options. SCP would use a "FLEXmarket" tool from Recurve, which MCE used in 2021 and the CPUC approved for EMAP funding.

FLEXmarket is a market-based program structure that delivers energy efficiency, demand flexibility, and grid support. The FLEXmarket structure: (a) sets a price-point for energy efficiency improvements and peak demand reduction and (b) pays incentives according to that price-point based on actual performance yield, as measured by industry-standard meter data analysis.

Through FLEXmarket, SCP seeks to achieve the following outcomes:

- Peak load reduction benefits
- Avoided GHG emissions
- Customer utility bill savings
- Energy savings

The proposed SCP FLEXmarket program would offer financial incentives in exchange for proven electricity usage reductions for SCP's customers brought by Service Providers as well as directly enrolled large commercial & industrial (C&I) customers. Service Providers and C&I customers would enroll in FLEXmarket, work to maximize the overall energy efficiency improvements and peak load reduction, and receive an incentive payment for proven energy reduction. The proven energy efficiency reduction would be calculated using the CPUC approved open-source CalTRACK methodologies for Normalized Metered Energy Consumption ("NMEC") analysis of portfolios of treated sites.

SCP's FLEXmarket customers' current power usage would be compared against a "counterfactual" - the customers' estimated consumption of energy if the improvements had not taken place. SCP would compensate Service Providers and C&I FLEXmarket customers by offering one or both of the following types of performance incentive:

1. Energy Efficiency Market Incentive. The Energy Efficiency Market Incentive provides compensations for overall energy usage reductions compared to the counterfactual based on monthly kWh savings. The actual incentives would vary on an hourly basis based on seasonal avoided cost curves, which account for the increased cost of energy during peak hours. All compensation under this incentive reflects the actual value of the avoided energy use.
2. "Peak Kicker" Incentive. The Peak Kicker Incentive provides additional compensation for peak-load reductions over and above that provided by the Energy Efficiency Market Incentive. This compensation is not tied to the avoided energy costs, and instead is intended to provide a robust financial incentive to reduce load during summer peak periods.

Fiscal Impact

This program would be funded by the CPUC Energy Efficiency programs through SCP's ratepayer non-bypassable charges. There is no net fiscal impact for SCP customers.

Attachments

- Attachment A - Elect to Administer Application to CPUC (Available at [this link](#) or by request from the Clerk of the Board.)



Staff Report - Item 06

To: Sonoma Clean Power Authority Community Advisory Committee

From: Geof Syphers, CEO

Issue: Recommend that the Board of Directors Pass a Resolution Opposing the Use of Rail to Transport U.S. Coal for Export

Date: December 16, 2021

Recommendation

Staff requests that the Community Advisory Committee ("CAC") recommend that the Board of Directors pass a resolution opposing the financing of rail line improvements by a private company in Wyoming for the purpose of transporting coal for export, and supporting the reservation of that land for a long-distance trail instead.

Background

In October, the SCPA Board of Directors requested staff to bring a draft resolution forward to consider opposing the "Coal Train" project because of the devastating climate impacts of coal, and the health and environmental impacts of coal transport through Sonoma and Mendocino Counties.

Fiscal Impact

None.

Attachments

- Attachment A - Resolution Opposing Rail Transport of Coal Through Sonoma and Mendocino Counties

RESOLUTION NO. 2021-XX

NOT YET ADOPTED

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SONOMA CLEAN POWER
AUTHORITY OPPOSING RAIL TRANSPORT OF COAL THROUGH SONOMA AND
MENDOCINO COUNTIES**

WHEREAS, the North Coast Railroad Authority has recently sought permission from the United States Surface Transportation Board to abandon failed, unused rail segments between Willits and Humboldt County and railbank the segment, allowing for the development of the Great Railroad Trail; and

WHEREAS, a North Coast Railroad Company (NCRC), a company based in Wyoming, the principals of which have not been made public, has recently submitted paperwork to the Surface Transportation Board objecting to the exemption of the railbanking request from certain challenges, stating its intent to purchase the railroad; and

WHEREAS, the proposed use has been widely reported and corroborated to be for the transportation of coal that is mined in the Midwest; and

WHEREAS, it is presumed that this company intends to transport this coal across the state of California to Marin County and then haul it north through Sonoma, Mendocino, Trinity, and Humboldt counties to the port of Humboldt for export to other countries; and

WHEREAS, coal is the biggest contributor to climate change; and

WHEREAS, the Great Redwood Trail will create a destination for our local communities and attract outdoor enthusiasts, boosting our regional economy and creating the longest continuous railbanked segment in America.

NOW, THEREFORE, BE IT RESOLVED the Sonoma Clean Power Authority encourages the Surface Transportation Board to grant the request of the North Coast Railroad Authority to railbank their rail line from Willits to Humboldt Bay and reject any financial investment into restoring the rail line.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

DULY ADOPTED this ___ day of _____, 2021

| JURISDICTION | NAME | AYE | NO | ABSTAIN/ ABSENT |
|---------------------|------------------|-----|----|--------------------|
| Cloverdale | Director Bagby | | | |
| Cotati | Director Landman | | | |
| Fort Bragg | Director Peters | | | |
| Petaluma | Director King | | | |
| Rohnert Park | Director Elward | | | |
| Santa Rosa | Director Rogers | | | |
| Sebastopol | Director Slayter | | | |
| Sonoma | Director Felder | | | |
| Windsor | Director Fudge | | | |
| County of Mendocino | Director Gjerde | | | |
| County of Sonoma | Director Hopkins | | | |

In alphabetical order by jurisdiction

Chair, Sonoma Clean Power Authority

Attest:

Clerk of the Board

APPROVED AS TO FORM:

Special Counsel,
Sonoma Clean Power Authority