Sonoma Clean Power

AGENDA
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, MARCH 17, 2022
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 MARCH 17, 2022, 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/89591222887
- Telephone number: 1 (720) 707-2699
- Meeting ID: 895 9122 2887

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 February 17, 2022, Draft Community Advisory Committee Meeting Minutes (Staff Recommendation: Approve) **- pg. 5**
2. Recommend that the Board Approve and Delegate Authority to the CEO to Execute Second Amendment to Contract with Frontier Energy Inc. for an Amount Not-to-Exceed $204,970 through June 30, 2022, for the Administration of the On Bill Loan Program (Staff Recommendation:Approve) **- pg. 11**
3. Recommend that the Board Approve a Five (5) Year Extension of SCPA's Contract with Calpine Energy Solutions, LLC for Data Management, Billing, and Contact Center Services (Staff Recommendation: Approve) **- pg. 23**
4. Recommend Board Ratification of Generation Rates Effective April 1, 2022, Consistent with Prior Board Direction (Staff Recommendation: Approve) **- pg. 57**

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

5. Receive Internal Operations and Monthly Financial Report and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **- pg. 59**
6. Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **- pg. 77**
7. Recommend that the Board Approve the Proposed Budget Adjustments to the Staff Recommended Adjusted Fiscal Year 2021-2022 Budget (Staff Recommendation: Approve) **- pg. 95**
8. Integrated Resource Plan (IRP) Reintroduction (Staff Recommendation: Receive and File) **- pg. 99**
9. Review Programs Strategic Action Plan and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **- pg. 107**

COMMITTEE MEMBER ANNOUNCEMENTS

ADJOURN

COMMONLY USED ACRONYMS AND TERMS

CAC	Community Advisory Committee
CAISO	California Independent Systems Operator – the grid operator
CCA	Community Choice Aggregator – a public power provider
CEC	California Energy Commission
CleanStart	SCP's default power service
CPUC	California Public Utilities Commission
DER	Distributed Energy Resource
ERRA	Energy Resource Recovery Account – one of PG&E's rate cases at the CPUC
EverGreen	SCP's 100% renewable, 100% local energy service, and the first service in the United States providing renewable power every hour of every day.
Geothermal	A locally-available, low-carbon baseload renewable resource
GHG	Greenhouse gas
GRC	General Rate Case – one of PG&E's rate cases at the CPUC
GridSavvy	GridSavvy Rewards are available to SCP customers for reducing household energy use when needed to help California ensure reliable low-emission power. A form of 'demand response.'
IOU	Investor Owned Utility (e.g., PG&E)
IRP	Integrated Resource Plan – balancing energy needs with energy resources
JPA	Joint Powers Authority
MW	Megawatt is a unit of power and measures how fast energy is being used or produced at one moment.
MWh	Megawatt-hour is a unit of energy and measures how much energy is used or produced over time.
NEM	Net Energy Metering
NetGreen	SCP's net energy metering bonus
PCIA	Power Charge Indifference Adjustment – a fee charged by PG&E to all electric customers to ensure PG&E can pay for excess power supply contracts that it no longer needs.
RA	Resource Adequacy – a required form of capacity that helps ensure there are sufficient power resources available when needed.
RPS	Renewables Portfolio Standard refers to certain kinds of renewable energy which qualify to meet state requirements, including wind, solar, geothermal.
SCP	Sonoma Clean Power
TOU	Time of Use, used to refer to rates that differ by time of day

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Sonoma Clean Power

DRAFT MEETING MINUTES
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, FEBRUARY 17, 2022
1:00 P.M.

[**AB 361****]**

RE CORONAVIRUS COVID-19

CONSISTENT WITH THE PROVISIONS OF THE AB 361 WHICH SUSPENDED CERTAIN REQUIREMENTS OF THE BROWN ACT, MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE PARTICIPATED IN THE FEBRUARY 17, 2022, MEETING BY TELECONFERENCE.

CALL TO ORDER

Chair Nicholls called the meeting to order at approximately 1:03 p.m.

Committee Members present: Chair Nicholls, Vice-Chair Morris, Members Fenichel, Hollinshead, Quinlan, Kelly, Wells, Booth, and Lipp.

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Stephanie Reynolds, Director of Internal Operations; Neal Reardon, Director of Regulatory Affairs; and Joshua Nelson, Special Counsel.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

Public Comment: None

COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

1. Approve January 20, 2022, Draft Community Advisory Committee Meeting Minutes

   Motion to Approve the February 17, 2022, Community Advisory Committee Consent Calendar by Member Hollinshead

   Second: Quinlan

   Public Comment: None

   Motion Passed by Roll Call Vote:

AYES: Nicholls, Morris, Fenichel, Hollinshead, Quinlan, Kelly, Wells, Booth, Lipp
ABSENT: Dowd

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

2. Appoint a Chair and Vice-Chair of the Community Advisory Committee for 2022

This item was bifurcated into two votes, one for Chair and one for Vice-Chair.

Motion to appoint Member Quinlan as the Chair of the Community Advisory Committee by Member Morris.

Second: Wells

Public Comment: None

Motion Passed by Roll Call Vote:
AYES: Nicholls, Morris, Fenichel, Hollinshead, Quinlan, Kelly, Wells, Booth, Lipp
ABSENT: Dowd

Public Comment: None

Member Nicholls passed Chair duties over to Chair Quinlan for the remainder of the meeting; Chair Quinlan opened the nominations for Vice-Chair.

Member Dowd entered the meeting at approximately 1:12 p.m.

Motion to appoint Member Morris as the Vice-Chair of the Community Advisory Committee by Member Quinlan.

Second: Nicholls

Public Comment: None

Motion Passed by Roll Call Vote:
AYES: Quinlan, Morris, Fenichel, Hollinshead, Dowd, Kelly, Wells, Nicholls, Booth, Lipp

Chair Quinlan offered gratitude to former-Chair Nicholls, stated his intent to follow his example as Chair, and that he looks forward to working with Vice-Chair Morris and SCP staff going forward.

3. Receive Brown Act and Ethics Law Training for the Community Advisory Committee

   Joshua Nelson, Special Counsel, began his Brown Act and Ethics training by defining a meeting under the Brown Act and discussing how a serial meeting can occur.

   Counsel Nelson stated there are both criminal and civil penalties for violations of the Brown Act.

   Counsel Nelson focused on new rules for social media in the Brown Act under Assembly Bill (AB) 992.

   Counsel Nelson went on to discuss the rules governing a meeting including the rules for agenda posting, public comment, general rules, and AB 361 teleconference rules.

   Counsel Nelson then discussed Public Records Requests (PRA), the Conflicts of Interests (COI) and the Political Reform Act.

   Member Nicholls inquired how members of the public are required to disclose their name in a Zoom meeting and Counsel Nelson responded that AB361 specifically says that teleconference meetings may require a name during the pandemic emergency based on the platform's requirements.

   Public Comment: None

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

   CEO Syphers gave an update on the Advanced Energy Center reopening and stated that it would be reopen on Tuesday, February 22, 2022. He stated that SCP will be adjusting rates on April 1, 2022 following PG&E's rates adjustments going into effect on March 1, 2022. He stated that at the next meeting SCP would begin discussing the Integrated Resource Plan, with a final vote on the Plan set for July. He also discussed that since SCP has received a favorable credit rating, SCP can consider the use of municipal bonds which could be used to issue municipal debt to refinance some of SCP's power supply contract and provide savings for SCP customers, but more research is needed.

   Member Hollinshead requested a planning item for Electric Vehicle (EV) charging stations and CEO Syphers responded that could be included in the Integrated Resource Plan item at next month's meeting.

Member

Chair Quinlan inquired why Capital Outlay was up significantly in the Budgetary Comparison Schedule and CEO Syphers responded because of the construction costs.

Chair Quinlan asked why customer service costs were up and Erica Torgerson, Director of Customer Service, responded that the discrepancy in cost was due the fact that SCP has not received PG&E's portion of the costs relating to the Joint Rate Mailers.

Public Comment: None

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

Director Reardon discussed the NEM framework being indefinitely delayed and the BOD asking SCP to draft a letter regarding NEM for the California Public Utilities Commission (CPUC). The assigned judge has delayed the proceeding and reopened oral arguments; he will continue to report out on that as information becomes available.

CEO Syphers gave a legislative update. He discussed AB 1814 regarding EV infrastructure and stated that staff wish to support this bill. He also stated that next month SCP will have a table of bills that SCP's staff are analyzing.

Member Booth inquired when NEM 3.0 will open back up. Director Reardon responded that it is not yet known, but he does not expect a decision before this fall.

Vice-Chair Morris expressed her gratitude that the NEM letter was sent and included commentary on how net metering has created equity issues.

Chair Quinlan asked if there would be a time when SCP could set its rates independently of PG&E and CEO Syphers answered in the affirmative.

Public Comment: None

COMMITTEE MEMBER ANNOUNCEMENTS

None

ADJOURN

The meeting was adjourned by unanimous consent at approximately 2:47 p.m.

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Staff Report – Item 02

To:	**Sonoma Clean Power Authority Community Advisory Committee**
From:	**Chad Asay, Director of the Advanced Energy Center**
Issue:	**Recommend that the Board Approve and Delegate Authority to the CEO to Execute Second Amendment to Contract with Frontier Energy Inc for an Amount Not-to-Exceed $204,970 through June 30, 2022, for the Administration of the On Bill Loan Program**
Date:	**March 17, 2022**

Recommendation

Staff requests that the Community Advisory Committee ("CAC") recommend that the SCP Board of Directors ("Board") Delegate Authority to the Chief Executive Officer ("CEO") to execute a second amendment to the contract with Frontier Energy Inc to add $47,050 to the not-to-exceed amount over the term to include additional customer and contractor services to the 0% on-bill financing to assist customer and contractor applications and closeout communications and documentation at the Advanced Energy Center ("AEC") outside of the loan program and additional SCP staff training to take over these needed services.

Background

SCP's initial contract with Frontier Energy Inc was approved by the Board on July 1, 2020, for Consultant to provide program administration, which provides support services for Sonoma Clean Power (SCP) customers participating in the Sonoma Clean Power On-Bill Financing program. During operation of the financing program, Frontier Energy performs the following services on behalf of SCP: general program management, marketing support, contractor management, customer bid and agreement support, customer change order support, project completion support, general and ongoing customer support.

SCP entered into a First Amendment to the Agreement on July 1, 2021 to extend the term to June 30, 2022. No increase to the contract budget was made at that time because the work was billable to the California Energy Commission under SCP's Lead Locally grant. Now, however, the Commission grant funds have been spent, and staff wish to continue this work at least through June 30, 2022.

Discussion

This is the second amendment to the Frontier Energy Inc. contract and would increase the not-to-exceed amount by forty seven thousand and fifty dollars ($47,050) to a new total of two hundred four thousand nine hundred seventy dollars ($204,970). This increase is to add work to recruit contractors, develop program documentation, and administration to combine SCP incentives with the BayREN and TECH programs that are also eligible to SCP customers.

Fiscal Impact

The proposed amendment would increase SCP's costs by $47,050, but would not require an increase to the total annual Program budget.

Attachments

- Second Amendment to the Professional Services Agreement for the Sonoma Clean Power Authority with Frontier Energy Inc to administer the 0% on-bill financing program

Related items on file with the Clerk of the Board:

- First Amendment to the Professional Services Agreement for the Sonoma Clean Power Authority with Frontier Energy Inc for the On-bill Finance Administrator Agreement.

- The Professional Services Agreement for the Sonoma Clean Power Authority with Frontier Energy Inc for the On-bill Finance Administrator Agreement.
  - Attachment A- Scope of Work
  - Attachment B- Fee Schedule

SECOND AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE SONOMA CLEAN POWER AUTHORITY AND FRONTIER ENERGY INC.

This Second Amendment ("Second Amendment") to the Agreement for Professional Services (the "Agreement") is entered into between the Sonoma Clean Power Authority ("SCPA"), a California Joint Powers Authority, and Frontier Energy, Inc. ("Consultant") as of April 7, 2022 ("Second Amendment Effective Date"). SCPA and Consultant are, at times individually referred to herein as "Party" and collectively as "Parties".

WHEREAS, the Parties entered into the Agreement dated July 1, 2020 for Consultant to provide program administration, which provides support services for Sonoma Clean Power (SCP) Customers participating in the Sonoma Clean Power On-Bill Financing (OBF) program. During operation of the OBF program, the Administrator performs the following services on behalf of SCP: general program management, marketing support, contractor management, customer bid and agreement support, customer change order support, project completion support, general and ongoing customer support; and

WHEREAS, the Parties subsequently updated and revised the Agreement, entering into a First Amendment to the Agreement (the "First Amendment") dated July 1, 2021, in order to extend the term of the Agreement to June 30, 2022; and

WHEREAS, the Parties now desire to increase the not-to-exceed amount under the Agreement by Forty-Seven Thousand and Fifty Dollars ($47,050), which increases the not-to-exceed amount under the Agreement from One Hundred Fifty Thousand Nine Hundred and Twenty Dollars ($157,920) to Two Hundred and Four Thousand Nine Hundred and Seventy Dollars ($204,970); and

WHEREAS, the Parties further desire to revise the scope of work to (a) reduce services related to marketing support, contractor support, general customer support, ongoing customer support, and (b) add services to train SCP staff on current Advanced Energy Center administrative responsibilities and ad hoc Salesforce support; and

WHEREAS, in accordance with section 27 all changes to the Agreement must be in writing and signed by all Parties.

NOW, THEREFORE, the Parties agree as follows:

1. Section 4 Not to Exceed Amount of the Agreement is hereby amended as follows:

   "**NOT TO EXCEED AMOUNT.** IN NO EVENT SHALL THE AMOUNT PAYABLE FOR SERVICES PERFORMED DURING THE TERM OF THIS AGREEMENT EXCEED Two Hundred and Four Thousand Nine Hundred and Seventy Dollars ($204,970)."

2. EXHIBIT A (Scope of Services) and EXHIBIT B (Fee Schedule) are hereby superseded and replaced by EXHIBIT A (Scope of Services) and EXHIBIT B (Fee Schedule) attached to this Second Amendment.

3. Except as set forth above, all terms and conditions of the Agreement remain in full force and effect. From the Second Amendment Effective Date, the "Agreement" shall mean the Agreement as amended by the First and Second Amendments.

By signing below, the signatories warrant that each has authority to execute this Second Amendment on behalf of their respective Parties, and that this Second Amendment is effective as of the Second Amendment Effective Date.

SONOMA CLEAN POWER AUTHORITY	**FRONTIER ENERGY INC.**
BY: ______________________ Mike Koszalka Chief Operating Officer	BY: ______________________
	TITLE: ______________________
DATE: ______________________	DATE: ______________________
APPROVED AS TO FORM	
BY: ______________________ Special Counsel	
DATE: ______________________	

SECOND AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE SONOMA CLEAN POWER AUTHORITY AND FRONTIER ENERGY INC.

EXHIBIT A
Scope of Services

Program Administrator OBF Scope of Work

The **Program Administrator** (Administrator) is a third party, independent of the Customer and the Contractor, which provides support services for Sonoma Clean Power (SCP) Customers participating in the Sonoma Clean Power On-Bill Financing (OBF) program. The OBF program will be developed under the Sonoma Clean Power Lead Locally program. During operation of the OBF program, the Administrator shall perform the following services on behalf of SCP.

Task 1 General Program Management

Administrator shall coordinate with SCP to support general program management. This shall include twice-monthly reporting of program records as identified in the following tasks and once-monthly meetings with SCP staff and key program stakeholders as identified by SCP. In addition, Administrator shall maintain OBF program documentation and work with SCP to update any documentation and or agreements as necessary based on customer and contractor feedback or appropriate legal or regulatory findings or requirements. Administrator will also coordinate with SCP as necessary to adjust and refine program protocols and processes to help meet SCP's program and customer service goals.

Task 1 Budget: $47,790

Task 1 Deliverables:

- Twice-monthly reporting of program records.
- Summary notes and action items from once monthly general program management meetings.

Task 2 Marketing Support

This task has been removed from the scope of services.

Task 3 OBF Contractor Management

Support for this task has been transitioned to SCP.

Task 3 Budget: $22,170 for services provided to date

Task 4 Customer Bid and Agreement Support (Time and Materials)

SCP shall provide Administrator with the necessary information from approved Customer OBF Applications and other required SCP Incentive Applications.

For eligible Contractors and Improvements proposed in a Contractor's bid, Administrator shall finalize the OBF Participant Agreement, including populating Exhibit B of the Participant Agreement, based on the Customer's OBF Application, other required SCP Incentive Applications, and Contractor Bid.

Administrator shall send Customer Participant Agreement and notify Customer that they must return signed Agreement within 30 days.

If Customer does not submit a signed Agreement within 30 days, notify customer that the Agreement has been terminated. If Customer notifies Administrator in writing that the Customer remains interested in participating in OBF, Administrator shall work with SCP, at SCP's discretion, to provide Customer with a new Participant Agreement, subject to confirmation that the Customer continues to meet all of the program requirements.

Upon receipt of an Agreement signed by the Customer, Administrator shall provide Customer and Contractor with executed Agreement via email and notify Customer of the date by which they must have completed their project with an OBF Eligible Contractor to install the Improvements on the Property and have that Contractor provide a OBF Notice of Completion to the Administrator.

a. If Notice of Completion has not been received in accordance with program timelines, send Close-out Reminders to Customer via email and phone at appropriate dates per program requirements agreed upon with SCP that they need to submit a Notice of Completion or their Agreement will be terminated.
b. If Contractor does not submit a Notice of Completion within these established dates, notify Customer and Contractor that the Executed

Agreement has been terminated. If Customer notifies Administrator in writing that the Customer remains interested in participating in OBF, Administrator shall work with SCP, at SCP's discretion, to provide Customer with a new Participant Agreement, subject to confirmation that the Customer continues to meet all Program requirements.

Task 4 Budget: $53,460

Task 4 Deliverables:

- OBF Agreements issued to Customers.
- Close-out Reminders to Customers whose Contractor has yet to submit a Notice of Completion per program requirements.
- Termination Notices to Customers whose Contractor has yet to submit a Notice of Completion in accordance with the Customers' OBF Agreement.
- OBF Agreements reissued to Customers if approved by SCP after Termination of original OBF Agreement.
- Records of OBF Applications Approved, Contractor Bids received, Contractor Bids with required corrections, OBF Agreements issued, OBF Agreements terminated, OBF Agreements reissued, and Notices of Completion received.

Task 5 Customer Change Order Support (Time and Materials)

For OBF projects with an Approved OBF Agreement, Administrator shall work with Customer to review requested changes to any Approved Improvements consistent with Program Terms. Customer is solely responsible for negotiating requested changes with Contractor.

a. If Administrator approves the changes, Administrator shall provide Customer with a Modified Participant Agreement Exhibit B specifying the form is acting as a change order documenting the approved changes to the Improvements.
b. Customer and Administrator must sign any Modified Exhibit B prior to Contractor's installation of the Improvements on the Property.

Task 5 Budget: $5,500

Task 5 Deliverables:

- Change orders issued to Customers as a Modified Participant Agreement Exhibit B.
- Records of Modified Participant Agreement Exhibit B issued.

Task 6 Completion Support (Time and Materials)

Administrator shall review Contractor submitted OBF Notice of Completion and any final project close out documentation in accordance with Program requirements.

a. For projects where installation or submitted documentation does not meet Program requirements, Administrator shall notify Customer and Contractor that they have 30 days to make required corrections.
    i. Administrator shall review and or inspect corrections when notified by Customer.
    ii. If Administrator is not notified within 30 days that corrections have been made, Administrator shall notify Customer and Contractor that the Participant Agreement has been terminated.
    iii. If, after the Participant Agreement has been terminated, Customer notifies Administrator in writing that the corrections have been made and Customer remains interested in participating in OBF, Administrator shall work with SCP, at SCP's discretion, to provide Customer with a new Participant Agreement, subject to confirmation that the Customer continues to meet all Program requirements.
b. For all projects with approved final project close out, Administrator shall notify SCP of the final Loan Amount, OBF Installment Payment, Repayment Term, and Contractor payment.

Task 6 Budget: $33,310

Task 6 Deliverables:

- Correction Notices issued to Customers and Contractors for installations or submitted documentation that does not meet Program Requirements
- Termination Notices issued to Customers and Contractor if required corrections are not made within 30-days of Correction Notice.
- Final project closeout documentation and notice to SCP, including final Loan Amount, OBF Installment Payment, Repayment Term, and Contractor payment.
- Records of Correction Notices issued, OBF Agreements terminated after failure to address corrections, and final installed equipment, costs, Loan Amount, OBF Installment Payment, Repayment Term, and Contractor payment.

Task 7 General Customer Support (Time and Materials)

Administrator shall ensure staff are available to address Customer and Contractor questions and inquiries during normal business hours Monday-Friday and as such inquiries are forwarded by SCP.

If Customer conveys to Administrator any concerns, Administrator will notify SCP immediately for SCP to follow up with Customer. Administrator shall support SCP with engaging Customers for follow up surveys. At direction from SCP, Administrator will assist with survey development, distribution, receipt of responses, and compilation of responses for reporting to SCP.

At the direction of SCP, Administrator will ensure staff are available at a mutually agreed upon time for Improvement(s) eligibility assessment, OBF participant request, and any ad hoc OBF support for the SCP team during the term of this Agreement.

Task 7 Budget: $17,100

Task 7 Deliverables:

- Records of OBF Customer and Contractor inquiries.
- Notice to SCP of Customer and Contractor inquiries prioritized for escalation by SCP.
- Support to resolve identified and reported problems per the Participant Agreement's Dispute language.
- Support of Participant satisfaction surveys.
- Records and escalation to SCP of disputes, Customer balance/payoff inquiries, and survey activity.

Task 8 Ongoing Customer Support (Time and Materials)

Support for this task has been transitioned to Task 7

Task 8 Budget: $3,390 for services provided to date.

Task 9 AEC Rebate and Project Administration Responsibility Transfer

Administrator will prepare SCP team for the transition of non-OBF responsibilities to SCP administration. Together, SCP and the Administrator will develop a transfer plan to schedule the shifting of responsibilities in an order that supports an effective and efficient transfer. This includes identifying an order of priorities, the steps needed to shift specific responsibilities, and the level of support needed by SCP staff. This process will include the review and final development of all procedures and support documents as agreed upon between the Administrator and SCP. It will also entail process review as well as preparation for and leading training sessions with SCP staff, an explanation of the existing Salesforce-based data management system, the identification of interim shared and collaborative task administration, and clearly defined transition milestones and deadlines.

Task 9 Budget: $15,000

Task 9 Deliverables

- With SCP input, Administrative Responsibility Transfer Plan
- Procedures and supporting documents for each activity
- 5 Training Sessions and 100 hours of coordinated support

Task 10 Ad Hoc Salesforce Support

SCP may modify or replace the existing Salesforce-based data management system. This may require the Administrator's expertise and support in order to successfully extract program data while maintaining unbroken processes and system management rules. Administrator will assist SCP in this process on an as needed basis.

Task 10 Budget: $7,200

The Administrator will provide ad hoc support for the sooner of the completion of the modification/ replacement or contract end up to a not to exceed (NTE) hours limit of 8 hours per month pending SCP authorization for additional effort consistent with this task's overall budget.

EXHIBIT B

Fee Schedule

Budget

Task #	**Task Name**	**Budget**
Task 1	General Program Management	$47,790
Task 2	Marketing Support	$0
Task 3	OBF Contractor Management	$22,170
Task 4	Customer Bid and Agreement Support	$53,460
Task 5	Customer Change Order Support	$5,500
Task 6	Completion Support	$33,310
Task 7	General Customer Support	$17,100
Task 8	Ongoing Customer Support	$3,390
Task 9	AEC Rebate and Project Administration Responsibility Transfer	$15,000
Task 10	Ad Hoc Salesforce Support	$7,200
	TOTAL	**$204,970**

Fee Schedule

Title	**2020**	**2021**	**2022**
President	$ 290	$ 295	$ 300
Vice President / Sr. Director	$ 285	$ 290	$ 295
Director	$ 265	$ 270	$ 275
Sr. Manager	$ 235	$ 240	$ 245
Manager	$ 209	$ 213	$ 218
Sr. Program Mgr	$ 189	$ 193	$ 198
Program Mgr	$ 159	$ 162	$ 165
Sr. Program Consultant / Sr. Analyst	$ 145	$ 148	$ 150
Program Consultant / Analyst	$ 126	$ 128	$ 130
Sr. Program Coordinator / Sr. Technician	$ 106	$ 108	$ 110
Program Coordinator / Technician	$ 91	$ 93	$ 95
Administrative	$ 75	$ 75	$ 75

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Sonoma Clean Power

Staff Report – Item 03

To: Sonoma Clean Power Authority Community Advisory Committee

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

Issue: Recommend that the Board Approve a Five (5) Year Extension of SCPA's Contract with Calpine Energy Solutions, LLC for Data Management, Billing, and Contact Center Services

Date: March 17, 2022

Recommended Action:

Recommend approval to SCPA's Board of Directors for a five (5) year extension of SCPA's contract with Calpine Energy Solutions, LLC for data management, billing, and contact center services.

Recent Background:

On September 16, 2021, the Community Advisory Committee, and the following month on October 7, 2021, the Board of Directors, voted unanimously to approve opening discussions with Calpine Energy Solutions, LLC for an extension of contracted services related to data management, billing, and contact center services.

Long-Term Background:

The Master Professional Services Agreement, Amendments, and Addendums were approved by SCPA's Board of Directors.

- On November 14, 2013, Sonoma Clean Power executed a Master Professional Services Agreement and (First) Addendum with Noble Americas Energy

Solutions, LLC (now Calpine Energy Solutions, LLC aka 'Calpine') for data management services.

- On September 1, 2016, SCP and Calpine extended their relationship through the (First) Amendment to its Master Professional Service Agreement reducing the price per account and extending the term to April 30, 2022.

- On April 1, 2017, SCP and Calpine updated the scope of work under the (First) Addendum by executing the Second Addendum to the Master Professional Service Agreement.

Calpine provides SCP with billing and data services, including receiving customer usage from PG&E, applying SCP rates, and returning customer billing costs back to PG&E to be placed on bills. This includes billing over 230,000 transactions each month with an accuracy rate more than 99.99%. In addition, Calpine works with a third party to provide local contact center services for SCP customers.

SCP's current contract with Calpine expires April 30, 2022.

Discussion:

Presently, there are three data management service organizations serving Community Choice Aggregators (CCAs) in California: GridX, Sacramento Municipal Utility District (SMUD), and Calpine. GridX provides data services for one CCA (Central Coast Community Energy (3CE)), SMUD provides service to two CCAs (Valley Clean Energy and East Bay Community Energy), and Calpine serves the remaining CCAs.

In evaluating SCP's options for data management services, SCP has known the market players of Calpine, GridX, and SMUD for years. Calpine offers an advantage over its competitors with its economies of scale, CCA specific history, and working relationship with PG&E. As the second CCA in California after Marin Clean Energy (MCE), SCP and MCE worked closely with Calpine to improve and grow its services for CCAs, including improving transparency, the Customer Relationship Manager platform, call center services, data flow, meter to billing (aka 'SQMD') services, and more. By serving 20+ CCAs, Calpine can offer a wider breath of services to its clients and the ability to do big projects such as bill protection for residential customers' transition to time-of-use rates.

For these reasons and in consultation with SCP's Counsel, SCP did not issue a request for proposals, but rather negotiated the attached proposed Second Amendment and Third Addendum to the Master Professional Services Agreement (together "Extension") that would be effective May 1, 2022. The Extension with Calpine includes a price reduction, stronger service-level agreements for the contact center, and the option of bringing additional contact center services in-house. This will allow uninterrupted service to SCP customers during a period of considerable complexity including bill protection for residential customers transitioned to time-of-use rates, tracking the Arrearage Management Plan (AMP) enrollees for bill forgiveness, and verification of arrearages for the California Arrearage Payment Program (CAPP) to provide financial assistance to SCP customers with pandemic past-due balances.

Calpine and SCP have agreed to terms on the Second Amendment to the Master Professional Services Agreement attached. The scope of work laid out in the Third Addendum to the Master Professional Services Agreement attached here, has also been agreed to except for Appendix B for Demand FLEXmarket Services. Appendix B language is still being finalized.

An Extension with Calpine does not preclude SCP from transitioning to a new data management service provider or bringing data management services and/or contact center services in-house in the future.

Fiscal Impact:

Approval of the attached proposed Extension will lower SCP's costs for customer billing and data services. Since September 1, 2016, SCP has paid Calpine $1.15 per account per month or approximately $3.2 million annually. The proposed Extension will change the payment structure to a fixed monthly fee, plus a reduced per account fee. The fixed portion is $25,000 per month plus a per account fee of $0.85 or approximately $2.67 million per year, a savings of $536,000 annually.

The proposed Extension is structured to include a three-year fixed price with an option for SCP to terminate the contract for its own convenience effective April 30, 2025, by providing written notice before November 1, 2024, and paying a fee of $250,560. If SCP does not terminate the contract, the cost of service shall escalate annually beginning on April 30th, 2024, by the Consumer Price Index West Region using May 2023 data as the baseline, but with an annual ceiling of 2.5% for the remaining two years.

In addition, the proposed Extension requires Calpine to rebate three percent (3%) of its annual SCP service fees to organizations in SCP's service territory for the purpose of promoting economic development, workforce development, local project development, grid resiliency, and other areas that support the mission of SCP and its communities. Based on the proposed contract, this would increase SCP's community giving power by $80,000 annually.

Attachments (listed oldest to newest):

Amendments are pricing and term related; Addendums are scope of work/services.

- Master Professional Services Agreement and (First) Addendum for Data Manager Services effective October 31, 2013, available at this link or by request to the Clerk of the Board.

- (First) Amendment to the Master Professional Services Agreement effective September 1, 2016, available at this link or by request to the Clerk of the Board.

- Second Addendum to the Master Professional Services Agreement effective April 1, 2017, available at this link or by request to the Clerk of the Board.

- PROPOSED Second Amendment to the Master Professional Services Agreement that would be effective May 1, 2022.

- PROPOSED Third Addendum to the Master Professional Services Agreement that would be effective May 1, 2022.

Amendment

This Amendment is to the Master Professional Services Agreement, ("Agreement"), by and between Calpine Energy Solutions LLC, ("Contractor"), and Sonoma Clean Power Authority, ("SCP"), dated _______ 2022.

WHEREAS, the Parties entered into the Agreement hereinabove referenced; and

WHEREAS, the Parties wish to amend the Agreement, as well as a certain Addendum for Data Manager Services, ("Addendum"), which is incorporated into the Agreement;

NOW, THEREFORE, for good and valuable consideration the adequacy and receipt thereof is acknowledged, the Parties agree as follows:

1. The effective period of the services provided by the Contractor listed in *Addendum, Section II, "Services"*, will be:

   The Effective Period for the Addendum shall be from January 1, 2022 through December 31, 2027.

   SCP may terminate this Agreement for its own convenience, effective April 30, 2025 by (i) providing written notice such that it is received by Calpine in good order on or before November 1, 2024, and (ii) paying a fee of $250,560.

2. Fees for services provided by the Contractor in the period mentioned above will be:

   In consideration of the services provided by Contractor described in Addendum, Section II, "Services", and subject to the terms of the Agreement, SCP shall pay Contractor based on the following fee schedule and terms:

   i. Calpine's cost for the services listed in Section II, "Services", is $25,000 per month plus $0.85 per active meter per active account per month ("Cost for the Services"). Travel and all start-up costs are included in this price.

   ii. In the event SCP elects to provide their own call center representatives, the per meter per active account per month fee will be reduced by $0.03 per agent provided by SCP up to a maximum of $0.09.

   iii. In the event SCP elects to assume all Customer Call Center services specified in Addendum, Section III, 4, including both call center representatives, as well as the technology infrastructure, the per meter per month fee shall be reduced by a total of $0.15, inclusive of the agent fee reduction.

   iv. Contractor's payment in effect for the services listed shall escalate annually beginning on April 30th, 2024, by the Consumer Price Index West Region using May 2023 data as the baseline with an annual ceiling of 2.5%. Capitalized terms used herein and not defined shall have the meanings assigned them in the Agreement.

4. This Amendment may be signed in counterparts, each of which will constitute an original and together will constitute one and the same Amendment and may be transmitted via facsimile or as an Imaged Document, which shall be deemed for all legal purposes to be an original executed by the transmitting

Party. “Imaged Document” means any document generated by the Parties which is scanned and stored in electronic form, including, by way of illustration and not limitation, portable document format or similar type (e.g. jpg, tiff, gif).

5. Except as stated herein, no further changes to the Agreement are intended by this Amendment, and the Agreement shall otherwise remain in full force and effect, and no person or entity shall be deemed to be a third party beneficiary of this Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of _____, 2022

CALPINE ENERGY SOLUTIONS LLC	**SONOMA CLEAN POWER AUTHORITY**
By: ______________________	By: ________________________
Name: ___________________	Name: ________________________
Title: ___________________	Title: ________________________

Third Addendum for Data Manager Services

To

MASTER PROFESSIONAL SERVICES AGREEMENT

Between Calpine Energy Solutions, LLC

And SONOMA CLEAN POWER

Dated _____, 2022

Addendum Effective Date: May 1, 2022

This Third Addendum for Data Manager Services (" Addendum") supplements the above-referenced Master Professional Services Agreement ("Agreement") between SONOMA CLEAN POWER AUTHORITY ("SCPA" or "SCP") and CALPINE ENERGY SOLUTIONS, LLC ("Calpine", f/k/a Noble Americas Energy Solutions, LLC), collectively, the Parties. This Addendum supersedes any Addendum for Data Manager Services previously executed by the Parties.

I. DEFINITIONS

1. “Ad Hoc Request” or “Ad Hoc” refers to services, including new services, additional services or significant modifications to current services, requested by SCP that fall outside the scope of what Calpine is contractually obligated to provide under the terms of this Agreement. In the event of SCP requesting Ad Hoc services, SCP shall specify in reasonable detail the nature, business reason and scope of the request and Calpine will use commercially reasonable efforts to deliver Ad Hoc items to SCP in a timely manner. Any Ad Hoc Request may be subject to the fee schedule set forth in Exhibit B, Section 3.

2. “Agreement Holidays” refers to SCP Holidays, PG&E Holidays and Calpine Holidays.

3. “Billing Window” refers to the period starting on the meter read date and ending 10 calendar days later. Submission of bill data must occur during this period for the CCA charges to appear on the consolidated PG&E bill.

4. “Billing Determinants” are used in the Rate Schedule to calculate the charge or credit due. Billing Determinants can define a time period, as in the case of Time-Of-Use rates that have various significance periods such as on-peak, off-peak, mid-peak, etc., or can be defined as factors that are to be considered when calculating the final customer charge such as discount services or additional charges that deviate from the Rate Schedule’s standard structure, among others.

5. “Billing Error” refers to the incorrect billing of an account due to an error by Calpine. This does not include errors caused by incorrect or incomplete data provided by PG&E.

6. “Budget Billing” refers to averaging annual energy costs over the previous 12 months to determine a monthly payment amount and is re-balanced every three months, adjusting the bill up or down based on the previous four months’ usage.

7. “Business Day” means all calendar days other than those days on which the Federal Reserve member banks in New York City are authorized or required by law to be closed, and shall be between the hours of 8:00 a.m. and 5:00 p.m. Pacific Prevailing Time for the relevant Party’s

principal place of business where the relevant Party, in each instance unless otherwise specified, shall be the Party from whom the Notice, payment or delivery is being sent and by whom the Notice or payment or delivery is to be received.

8. “Calpine Holidays” refers to those days in a calendar year that Contractor observes as holidays, which includes the following twelve (12) days: New Year’s Day, Martin Luther King Jr. Day, President’s Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day After Thanksgiving, Christmas Eve, Christmas Day, and New Year’s Eve.

9. “CARE” refers to the California Alternate Rates for Energy program administered by PG&E which provides discounts on energy bills for income qualified households designated by PG&E.

10. “Customer Data Acquisition” refers to acquisition of customer electricity usage data from PG&E.

11. “Community Choice Aggregation/Aggregator” or (“CCA”) refers to local government entities or joint powers agencies whose governing boards have elected to acquire and provide electric power and energy services to utility end-use customers located within their service area(s), as set forth in California Public Utilities Code Section 366.2 and other California Public Utilities Commission (CPUC) directives.

12. “CCA Service” means the sale of retail electric power by a Community Choice Aggregator, to utility end-use customers located within its service area(s), as set forth in California Public Utilities Code Section 366.2 and other California Public Utilities Commission (CPUC) directives.

13. “CCA Service Customer” means a PG&E customer taking CCA Service from SCP.

14. “CCA Service Request” or (“CCASR”) means a request in a form approved by PG&E to change a CCA customer’s or utility customer’s choice of services, which could include returning a CCA customer to bundled utility service or direct access service.

15. “Customer Information System” or (“CIS”) refers to the systems used by Calpine to store SCP customer-specific information, including account enrollment status, rate tariff, payment history, collection status, correspondence and other information that is necessary for Calpine to effectively administer Data Manager Services.

16. “Customer Relationship Manager” or (“CRM”) refers to an online software platform populated by a database and designed to manage and analyze customer interactions and data through the customer lifecycle with the goal of improving business relationships with customers, assisting in customer retention and driving customer participation.

17. “Direct Access Customer” refers to a PG&E customer purchasing retail power from an Electric Service Provider.

18. “Electronic Data Interchange” or (“EDI”) refers to the transfer of data between PG&E and Calpine related to CCA Service Customers of. The EDI transaction sets used for Data Manager Services are as follows:

    a) 248 – Daily Billing Files
    b) 810 – CCA invoice information that appears on customer’s PG&E bill
    c) 814 – CCA enrollments, changes, opt outs and disconnects
    d) 820 – Remittance advice identifying the detail needed to perform cash application to accounts receivable by customer
    e) 824 – Application Advice for Invoices, used to reject invoice transactions
    f) 867 – Electric meter usage data by customer account
    g) 997 - Functional Acknowledgement

19. “FERA” refers to the Family Electric Rate Assistance Program which is a statewide program in which families whose household income slightly exceeds the CARE allowance can qualify to receive FERA discounts on their electricity bill.

20. “First-Contact or First Call Resolution” refers to addressing a customer’s need the first time they contact or call for assistance, thereby eliminating the need for the customer to follow up with a second call.

21. “Interactive Voice Response” or (“IVR”) refers to the call center voice-recorded system that enables customers, through keypad input, to select options related to their account or access a live call center agent.

22. “Local Distribution Company” or “Utility Distribution Company” (“LDC” or “UDC”) refers to the relevant electric utility (such as Pacific Gas and Electric Company).

23. “Mass Enrollment” refers to the phase-in of a group of new customers (who have not opted out prior to receiving CCASR) onto CCA Service over one billing cycle beginning with each customer’s regularly scheduled meter read date, as further defined in PG&E’s Electric Schedule E-CCA.

24. “Medical Baseline” refers to the Medical Baseline Allowance program administered by PG&E which provides a higher baseline quantity on energy bills for eligible customers designated by PG&E.

25. “Meter Data Management Agent” or (“MDMA”) Services include: reading customers’ meters, validating the meter reads, editing the meter reads if necessary and transferring the meter reading data to a server pursuant to SCP and PG&E standards.

26. “Net Energy Metering” refers to one of the various Net Energy Metering programs administered by PG&E as described in its Electric Schedules, for which SCP may provide bill credits for qualifying self-generation to participating CCA Service customers.

27. “North American Industry Classification System” or (“NAICS”) refers to the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data.

28. “Non-Enrollment Period” refers to any other period that is not a Statutory Enrollment Period.

29. “On Bill Repayment” refers to a financing option in which a utility or private lender supplies capital to a customer to fund energy efficiency, renewable energy, or other projects and is repaid through regular payments on an existing utility bill.

30. “PG&E Holidays” refers to those days in a calendar year that PG&E observes as holidays.

31. “Qualified Reporting Entity” or (“QRE”) refers to an entity authorized by WREGIS to submit meter data associated with renewable energy on behalf of the generator owner using the WREGIS application.

32. “Rate Schedule” refers to the rate buildout, or formula, that includes all the necessary Billing Determinants, and the values applied to each, used to calculate charges or credits per unit of electricity consumed (kWh) or per unit of demand (kW).

33. “Rate Template” refers to a predefined format used to communicate Rate Schedule(s) from SCP to Calpine. A Rate Template is considered valid once Calpine has reviewed the information it contains to ensure it meets the expected formatting requirements and the Rate Schedule(s) it contains align with published SCP tariffs.

34. “Self Service” refers to data that SCP can obtain and access through the Data Tools, upon its implementation, or to processes or actions which SCP can perform without the assistance of Calpine staff. Should SCP request data from Calpine that is available via Self Service or request Calpine perform a process or action that SCP can perform via Self Service, this shall be considered an Ad Hoc Request and is subject to the fees listed in Exhibit B, Section 3.

35. “Service Agreement” refers to the agreement between customers and PG&E documenting the customer’s billing arrangement, including rate plan, used to calculate PG&E charges.

36. “Settlement Quality Meter Data” or (“SQMD”) refers to meter data gathered, edited, validated, and stored in a settlement-ready format, for settlement and auditing purposes.

37. “SCP-Designated Third Party” refers to any third party that acts in the place or stead of SCP under the terms of the Agreement. For the avoidance of doubt, any such SCP-Designated Third Party shall abide by and be bound by the terms of the Agreement, in the same way as SCP.

38. “SCP Data” refers to all data and information provided, collected, or produced on SCP's behalf in connection with the services provided under this Agreement; including, but not limited to, confidential personally identifiable information or utility customer data protected under state privacy laws, billing data, usage data, Settlement Quality Meter Data, enrollment information, contact history, and any other confidential or proprietary information that relates to current, prospective, or former SCP customers.

39. “SCP Holidays” refers to those days in a calendar year that SCP observes as holidays.

40. “SCP Service Area” refers to all cities, towns, counties, and unincorporated areas that have selected electric generation service from SCP.

41. “Statutory Enrollment Period” refers to the three-month period prior to a Mass Enrollment, the month in which the Mass Enrollment occurs, and the two months following Mass Enrollment. The Statutory Enrollment Period takes place over a six-month period.

42. “Structural Rate Change” refers to a rate change that alters one or more Billing Determinants within a Rate Schedule buildout by changing the definition of the Billing Determinant itself and/or adding and/or removing one or more Billing Determinants to an existing buildout.

43. “Value Only Rate Change” refers to a rate change that alters only the values applied to each of the Billing Determinants in a given Rate Schedule buildout, keeping the existing buildout intact.

44. “Western Region Energy Generation Information System” or (“WREGIS”) refers to the independent, renewable energy tracking system for the region covered by the Western Electricity Coordinating Council (WECC).

II. **SERVICES**

In consideration of the payments set forth in Exhibit B, Calpine shall provide the following services:

1. Electronic Data Exchange Services:

a) Process CCA Service Requests (CCASRs) from/to PG&E which specify the changes to a customer's choice of services such as enrollment in CCA programs, customer initiated returns to bundled utility service or customer initiated returns to direct access service (814 Electronic Data Interchange Files).

b) Obtain all customer usage data from PG&E's Metered Data Management Agent (MDMA) server to allow for timely billing (according to PG&E requirements) of each customer (867 Electronic Data Interchange Files).

c) Maintain and communicate the amount to be billed by PG&E for services provided by SCP (810 Electronic Data Interchange Files).

d) Receive and maintain all data related to payment transactions toward CCA charges from PG&E after payment is received by PG&E from customers (820 Electronic Data Interchange Files).

e) Process CCASRs with PG&E when customer status changes.

2. Qualified Reporting Entity (QRE) Services:

a) Consistent with terms and conditions included in the QRE Services Agreement(s) between SCP and Contractor, serve as QRE for up to thirty (30) locally situated, small-scale renewable generators or other distributed energy resources supplying electric energy to SCP through a feed-in tariff (FIT) or other mechanism. In the event the number of such resources exceeds that allowed herein, both Parties agree to jointly discuss and determine a mutually agreeable solution to address the excess number of resources.

b) Submit a monthly generation extract file to Western Renewable Energy Generation Information System (WREGIS) on SCP's behalf, which will conform to the characteristics and data requirements set forth in the WREGIS Interface Control Document for Qualified Reporting Entities.

c) Contractor shall receive applicable electric meter data from PG&E for SCP distributed energy resource projects, consistent with PG&E's applicable meter servicing agreement, and shall provide such data to SCP for purposes of performance tracking and invoice creation.

3. Customer Information System:

a) Maintain an accurate database of all eligible accounts who are located in the SCP service area and identify each account's enrollment status (opt out, program enrollment), rate tariff election(s), payment history, collection status, on-site generating capacity, if applicable, and any correspondence with customer as well as other information that may become necessary to effectively administer SCP as mutually agreed to by parties from time to time.

b) Allow SCP to have functional access to the online database to add customer interactions and other account notes.

c) Allow SCP to view customer email or written letter correspondence within online database.

d) Maintain historical usage data on all customers for a time period equal to the lesser of either (a) the start of customer service to present or (b) five years. Maintain viewing access, available to appropriate SCP staff, to view PG&E bills for SCP customers, including supporting the intuitive parsing and labeling of PG&E provided files. Maintain accessible archive of billing records for all SCP customers from the start of SCP Service or a period of no less than five years.

e) Maintain and communicate as needed record of customers who have been offered service with SCP but have elected to opt out, either before or after starting service with SCP.

f) Maintain and communicate as needed records of Net Energy Metering credits and generation data for customers to be posted on bill and settled as per SCP's Net Energy Metering policy.

g) When requested by SCP, place program charges, inclusive of On-Bill Financing (OBF), on the relevant customer account, referenced by its unique identifier.

h) Identify customers participating in various SCP programs in database.

i) Include various program payment information in all relevant reports.

j) Perform quarterly SCP program reviews to assess appropriate customer charge level.

k) Maintain all customer data according to SCP's customer privacy policy and the requirements of relevant California Public Utilities Commission Decisions including D.12-08-045, including a daily backup process.

l) Maintain a Data Management Provider Security Breach Policy.

4. Customer Call Center:

a) Provide professional Interactive Voice Response (IVR) recordings for CCA customer call center.

i. In the event third party services are required to translate prompts or scripts into languages specified by SCP, any charges incurred by Contractor as a result of these will be passed by Contractor onto SCP in accordance with Exhibit B, Section 3.

b) Provide option for IVR self-service and track how many customers start and complete self-service options without live-agent assistance.

c) Allow for modifications and/ or additions to SCP's IVR recordings and self-service system configuration once annually following initial IVR setup and configuration.

Modifications and/ or additions to the IVR recordings and self-service system configuration more than once per calendar year may be subject to additional fees beyond SCP's per meter per month service fee, in accordance with the hourly labor costs specified in Exhibit B, Section 3, "Additional Deliverable Pricing."

d) Staff a call center between the hours of 8 AM and 5 PM PPT Monday through Friday, excluding Agreement Holidays.

e) Provide 24 hours a day, 7 days a week, IVR opt-out availability as directed by SCP with 30-day advance notice to Contractor.

f) Provide sufficient number of Contractor staff available to manage escalated calls between the hours of 8 AM and 5 PM PPT Monday through Friday, excluding Agreement Holidays

g) Contractor will make commercially reasonable efforts to adhere to the following performance standards during Non-Enrollment Periods:

i. Ensure that a minimum of 85% of all calls will be answered within 45 seconds.

ii. Achieve a no greater than 3% abandon rate for all calls

iii. 100% of voicemail messages answered within one (1) Business Day and provide report to SCP upon request that substantiates this requirement has been met.

iv. 100% of emails receive an immediate automated acknowledgement and provide report upon request to SCP that substantiates this requirement has been met.

v. 95% of emails receive a customized response within one (1) Business Day and provide report to SCP upon request that substantiates this requirement has been met.

vi. 100% of emails receive a customized response within three (3) Business Days and provide report to SCP upon request that substantiates this requirement has been met.

h) Contractor will adhere to the following performance standards during Statutory Enrollment Periods:

i. Ensure that a minimum of 75% of all calls will be answered within 60 seconds.

ii. 100% of voicemail messages answered within one (1) Business Day and provide report to SCP upon request that substantiates this requirement has been met.

iii. 100% of emails receive an immediate automated acknowledgement and provide report upon request to SCP that substantiates this requirement has been met.

iv. 95% of emails receive a customized response within one (1) Business Day and provide report to SCP upon request that substantiates this requirement has been met.

v. 100% of emails receive a customized response within three (3) Business Days and provide report to SCP upon request that substantiates this requirement has been met.

vi. Achieve a no greater than 10% abandon rate for all calls.

i) Provide sufficient call center staffing to meet the requirements set forth herein.

j) The call center will be staffed with personnel located within California, with a strong preference for within SCP service territory.

k) Provide callers with the estimated hold time, if applicable. Provide an automated ‘call back’ option for callers who will be put on hold for an estimated five minutes or longer.

l) Record all inbound calls and make recordings available to SCP staff upon request. Maintain an archive of such recorded calls for a minimum period of 24 months.

m) Track call center contact quality with criteria including:

i. Use of appropriate greetings and other call center scripts

ii. Courtesy and professionalism

iii. Capturing key customer data

iv. Providing customers with correct and relevant information

v. First-contact resolution

vi. Accuracy in data entry and call coding

vii. Grammar and spelling in written communications

n) Evaluate customer satisfaction through voluntary customer surveys that ask general questions about call quality, call resolution, and how satisfied the customer was with the service received.

o) Evaluate call center staff by completing a minimum of 1 quality assurance call per call center representative (regardless of CSR’ location/employer) per month. Evaluate low-performing call center representatives and increase training.

p) Respond to customer emails within 3 business days

q) Receive calls from SCP customers referred to Contractor by PG&E and receive calls from SCP customers choosing to contact Contractor directly without referral from PG&E.

r) Provide the call center number on PG&E invoice allowing SCP customers to contact the call center. Collect and/or confirm current email, mailing address and phone number of customers and add to or update database during inbound call.

s) Collect permission (via voice recording, email request, or electronic form submittal) from customers to send electronic correspondence instead of printed mail.

t) Respond to telephone inquiries from SCP customers using a script developed and updated quarterly by SCP. For questions not addressed within the script, refer inquiries either back to PG&E or to SCP.

u) Respond to customer inquiries received through telephone calls, email, fax and/or web-portal within the times and guidelines in Exhibit A, Section IV.

v) Upon request, coordinate with PG&E and other PG&E territory CCAs to participate in call center reviews up to twice per calendar year.

w) Use commercially reasonable efforts to make Spanish speaking call center staff available to customers during Regular Business Hours.

x) Provide translation services for inbound calls for the following languages: Spanish, Cantonese, Mandarin, Tagalog, and Vietnamese.

y) Create and maintain online forms for the SCP website so that customers may perform program related tasks including, but not limited to, opt-up, opt-down, or opt-out from the SCP website. These program changes will be integrated into the Customer Relationship Management system on a daily or more frequent basis.

z) Monthly Operational Call: Calpine will host a monthly call to discuss operational issues requested by SCP, including: contact center performance, opportunities to improve contact center service and progress on projects. Parties will communicate items at least one (1) Business Day in advance.

5. Billing Administration:

a) Apply PG&E account usage for all SCP customers against applicable Rate Schedules to allow for customer billing.

b) Review application of SCP Rate Schedules to PG&E accounts to ensure that the proper rates are applied to the accounts.

c) Timely submit billing information for each customer to PG&E to meet PG&E's billing window.

d) Use commercially reasonable efforts to remedy billing errors for any customer in a timely manner, no more than two billing cycles.

e) Assist with annual settlement process and monthly terminations for Net Energy Metering customers by identifying eligible customers, providing accrued charges and credits, and providing mailing list to CCA designated printer.

f) Provide customer mailing list to SCP designated printer for new move-in customer notices, opt out confirmation letters, and other regular mailing lists for confirmation letters routinely within 7 days of enrollment or opt out.

g) Provide customer mailing list to SCP designated printer for customers with overdue payments and return customers to PG&E bundled service in accordance with SCP's late payment and collections policies.

h) SCP will provide Contractor at least one-week advance notice for any mass communication (digital and post) by SCP disseminated to more than 50% of SCP's customers. If at least one-week advance notice is given, the service level applicable to periods other than Statutory Enrollment Periods shall apply for one week from the date of such mass communication in support of SCP. If less than one-week advance notice is given, the service level applicable to Statutory Enrollment Periods shall apply for one week from the date of such mass communication in support of SCP. Notwithstanding the forgoing, the service level applicable to Statutory Enrollment Periods shall apply for mass communications disseminated during Statutory Enrollment Periods regardless of notice.

i) Send certain SCP program charges for non-SCP customers, when supported by PG&E, based on information provided to Contractor by SCP.

j) Send certain SCP program charges as a separate line item to PG&E for placement on monthly bill during term of repayment.

6. Rate Schedule Maintenance

a) Maintain a table of Rate Schedules, offered by SCP to its customers, within Contractor's billing system.

i. Complete Value Only Rate Changes within 10 Business Days once Contractor has confirmed it is in receipt of a valid Rate Template.

ii. Complete Structural Rate Changes within 40 Business Days once Contractor has confirmed it is in receipt of a valid Rate Template.

iii. A Rate Template will be considered valid if it meets the expected formatting requirements as set forth by Contractor and acknowledged by SCP, and the Rate Schedules it contains align with published SCP tariffs. Upon receipt of a Rate Template, Contractor will review it per these guidelines and after SCP has corrected any errors, if present, Contractor will communicate to SCP that a valid Rate Template has been received and work will commence as per the timelines indicated above.

iv. Should SCP submit updates after Contractor has begun work on a valid Rate Template, SCP understands this may be considered a new Rate Change.

b) Contractor will provide Structural Rate Changes affecting up to 1200 Billing Determinants per calendar year. The Parties agree to review the current number of Billing Determinant Structural Changes from time to time.

c) Structural Rate Changes consisting of 1201 Billing Determinants or greater requested by SCP will be done at a mutually agreed upon fixed fee per the Rate Change Pricing table included in Exhibit B, Section 1, or at the hourly rate listed in Exhibit B, Section 3, whichever is determined by the parties to be appropriate.

7. Reporting:

a) Standard Reporting

Report	Frequency	Delivery Method
Monthly Transaction Summary	Monthly	SFTP or Email

Retroactive Returns	Monthly	SFTP or Email
Sent to Collections	Monthly	SFTP or Email
Snapshot	Weekly	SFTP
Snapshot with Addresses	Weekly	SFTP
Account Count by Rate	Monthly	SFTP or Email
Call Center Statistics	Monthly	SFTP or Email
Call Center QA Report	Quarterly	SFTP
Analysis of Call Center Activity	Monthly	SFTP or Email
NetGreen Liability	Monthly	SFTP or Email
Calpine Organizational Chart	Quarterly	SFTP or Email
CAISO MDEF Details	Daily	SFTP
Late Payments Notice & Pre-Collections Notices	Monthly	SFTP
Monthly NEM Term Cash Outs	Monthly	SFTP
Non-Defaulted Accounts Report	Every two months	SFTP
Aging Report	Weekly	SFTP
Customer Interval Data	Daily	SFTP/MySQL
Invoice TOU Bucket Summary	Weekly	SFTP/MySQL
Customer Monthly TOU Summary	Weekly	SFTP/MySQL
LDC Account Table	Daily	MySQL
Invoice Table	Daily	MySQL
Transaction Table	Daily	MySQL
Program Participation	Weekly	SFTP/MySQL

b) In addition to the reports listed in Section 7.a., SCP may request additional Ad-Hoc reports beyond what is provided per standard reporting which are subject to Ad-Hoc fees. Parties will coordinate to ensure the business requirements for development of such reports are reasonably finalized to minimize revisions.

8. Settlement Quality Meter Data:

a) Contractor shall provide SCP or SCP's designated Scheduling Coordinator (SC) with Settlement Quality Meter Data (SQMD) as required from SC's by the California Independent System Operator (CAISO).

b) Upon SCP's request, Contractor shall submit the SQMD directly to the CAISO on behalf of SCP or SCP's designated SC.

c) At SCP's request, Contractor will use, when available, AMI usage data as provided by PG&E through its Share My Data platform in its SQMD aggregation methodology.

9. Data Tools

a) Data Warehouse

a) Establish a data warehouse environment comprised of data related to the services provided by Contractor under this Agreement.

b) Provide access for SCP staff to query the data warehouse environment.

c) Data made available in the data warehouse shall include:

i. AMI usage data provided by PG&E through their Share My Data (SMD) platform

a. Prior to loading this data into the data warehouse, Contractor will make commercially reasonable efforts to process the raw SMD data and associate usage data with customer accounts in Contractor's CIS

b. Contractor will query PG&E systems for updated usage data and make reasonable efforts to update the data warehouse on a daily basis.

ii. Customer account information and characteristics from the customer list provided by PG&E and supplemented by the following data from CRM and CIS:

a. SCP customer participation history

b. Product elections

c. Opt-out activity

d. SCP rate schedule

e. Contractor will make commercially reasonable efforts to provide additional characteristics requested by SCP

iii. Billing data from Contractor's CIS

iv. SQMD submission data.

d) Contractor may, from time to time and at its sole discretion, update the functionality available in the data warehouse which may include, among others, adding or maintaining data visualizations, self-service reporting tools, self-service analytical tools, and Application Program Interface (API) points.

e) Contractor may, at its sole discretion, engage with SCP and other Contractor clients to elicit their input on required functionality, data elements, and system design as it pertains to the development, maintenance, and evolution of its data environment.

f) In the absence of the data warehouse or adequate data within the data warehouse for SCP to Self Service, Contractor shall assist SCP in completing Ad-Hoc requests that SCP would otherwise Self-Service, including, but not limited to, compiling customer and usage reports. Each such request should be accompanied by mutually agreed upon requirements and proper notice.

g) Contractor will provide technical support to access the data warehouse and documentation describing the data. SCP will provide staff with technical database expertise to engage with Contractor in the implementation and use of the data warehouse.

h) Data warehouse environment shall be made available to SCP within 60 days of the Effective Date of this Addendum.

10. Value Added Services

a) Recurve Analytics Platform

Calpine has partnered with Recurve Analytics (“Recurve”) to offer to SCP access to the Resource Planning tool on the Recurve Platform (“Platform”) and to establish a Demand Flexibility Marketplace. Access to the platform shall be provided in a mutually agreed upon timeline and subject to the fees listed in Exhibit B and Appendix B as appropriate. Calpine may terminate access to the Platform for its own convenience, for any reason or no reason, upon notice. Additional details on the Recurve Analytics platform are included in Appendix A.

11. Community Giveback

Each year of the contract, Calpine will rebate three percent (3%) of its annual service fees to organizations in SCP’s service territory for the purpose of promoting economic development, workforce development, local project development, grid resiliency, and other areas that support the mission of SCP and its communities.

Exhibit B:

Fees

1. **Monthly Service Fees**
    a. Calpine's cost for the services listed in Section II, "Services", is $25,000 per month plus $0.85 per active meter per active account per month ("Cost for the Services"). Travel and all start-up costs are included in this price.

    b. In the event SCP elects to provide their own call center representatives, the per meter per active account per month fee will be reduced by $0.03 per agent provided by SCP up to a maximum of $0.09.

    c. In the event SCP elects to assume all Customer Call Center services specified in Addendum, Section III, 4, including both call center representatives, as well as the technology infrastructure, the per meter per month fee shall be reduced by a total of $0.15, inclusive of the agent fee reductions listed in 1.b above.

    d. Contractor's payment in effect for the services listed shall escalate annually beginning on April 30th, 2024 by the Consumer Price Index West Region using May 2023 data as the baseline with an annual ceiling of 2.5%.

2. **Rate Change Pricing**

Additional Rate Changes beyond those included in the per meter per active account pricing noted above will be provided to SCP per the following price schedule:

Billing Determinants	Up to 50	51 to 250	251 to 500	501 to 1,000	1,001 to 1,500	1,501 to 3,000	3,001 to 4,500	4,501+	Hourly
Structural Rate Change	$1,000	$2,500	$5,000	$7,500	$10,000	$15,000	$ 20,000	$30,000	
Custom Rates (2 hours included of preliminary consultation)									$150 / hr

3. **Script Translation Services**

Charges incurred by Calpine from engaging with vendors to translate scripts or other documents from English into other language(s) will be passed by Calpine to SCP at cost.

4. **Additional Deliverable Pricing**

The Fees defined in Exhibit B include only those service and items expressly set forth in Section III, "Services" of this Agreement. Unless otherwise agreed to by SCP and the Contractor, the cost of additional deliverables provided by Contractor to SCP, including Ad Hoc requests, shall be passed through directly to SCP without mark-up using a labor rate of $150.00 per hour, ("Labor Rate").

5. <u>Fees for Access to the Recurve Analytics Platform shall be as follows:</u>

a. Access to Resource Planner is included in the monthly meter fee listed in Section 1 of this Exhibit B.
b. Should SCP choose to utilize the Demand Flexibility Marketplace to procure demand flexibility (energy efficiency and/or demand response resources), SCP and Contractor will execute Appendix B and Contractor will bill SCP monthly by written invoice below. Each invoice shall be included as part of the monthly Contractor invoice and paid to Contractor who will then disburse payment to Recurve.
c. DFP Completion shall be defined in the CPIP and evidenced by receipt of the final invoice, as provided by the Aggregator to the DFM Participant.
d. “Total Program Value” shall be calculated using the forecasted energy savings estimates provided by the Aggregator, the lead measure that will be used to forecast the marginal hourly savings load shape of the project for each hour of associated measure expected useful life to the SCP.
e. Parties will work together with Recurve to define details of use of the Platform, including data access and handling.

Appendix A – Recurve analytics platform

Resource Planning

With your service territory segmented by load shape, we will undertake a deep dive into customer targeting. Recent research makes clear that demand-side programs must target customers with specific usage characteristics to **achieve desired load impacts** and **cost-effectiveness**. Some customers may have little potential for savings from a particular program, while others present a significant opportunity. You have an opportunity to leverage customer energy usage data to identify and quantify physical asset deployment and usage characteristics at a customer-level, therefore drawing new insights to inform an optimized program design.

In a **targeting analysis**, Recurve computes a suite of customer usage characteristics, or "features" based exclusively on pre-program consumption data. These targeting features are calculated for every customer and range from simple summations (ex. total annual MWh usage) to normalized metrics (ex. the percentage of usage from cooling) to more complex load characteristics (ex. baseload, evening ramp).
Recurve will work with your team to identify key load shapes and target the individual customers based on specific technologies that offer the most potential to help achieve your goals. Recurve will compute a number of customer targeting features for each building. These features will give you a wealth of information on usage characteristics that are indicative of the potential for cost-effective demand flexibility interventions.

- High electric and/or gas heating usage and temperature-to-load correlation can often provide effective beneficial electrification and building decarbonization.

- Steep evening ramps that are exacerbating the duck curve and negative midday usage from PV are excellent load shifting and behind-the-meter storage candidates.

- Residential customers that exhibit high summer peak period usage, summer-to-shoulder usage ratios, and steep evening ramps, often offer high potential for building shell measures, HVAC, and load shifting and demand response.

- Commercial customers with high baseload usage are often good candidates for refrigeration measures that can drive GHG savings during the night and early morning hours when there is little or no solar generation.

Targeting Analytics

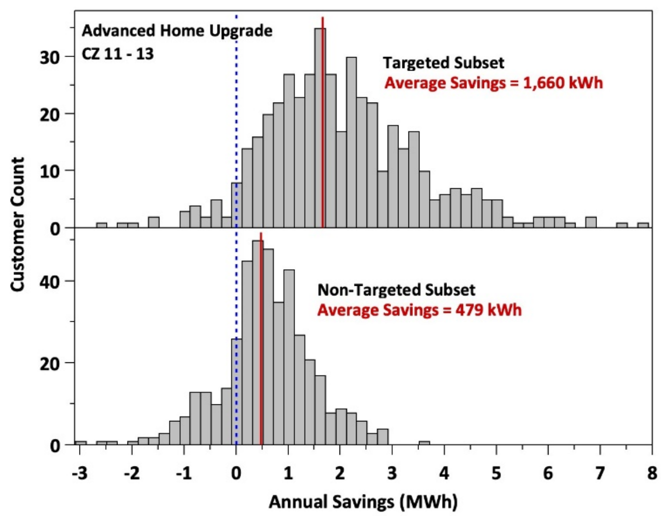
Recurve develops hourly load shape profiles for all buildings within a particular targeted service area as well as provides ongoing measurement and verification of demand side energy assets. This solution is made possible by two innovations. First, Recurve developed open-source methods and tools that standardize the development of hourly load profiles across all building types. These methods have now become officially adopted as part of the metered-savings protocols and the code has been released under an open-source license under the governance of the Linux Foundation. Second, Recurve developed a cloud-based data science platform capable of parallelizing thousands of servers to run the necessary computations and build queryable data warehouses to manage the volume of data required of this effort. Hourly load shape impacts are quantified and tracked at the meter level and mapped to grid assets for full visibility into asset performance.
Recurve's program optimization algorithm identifies the most important factors related to the highest drivers of savings, such as temperature-to-load correlations, that drive high performance within a program. These parameters can be used to identify future program participants with a high likelihood of saving energy with a delivered result being customer load archetypes.
The analysis start date will depend on the quality of the data upon receipt. Complete pre-post data and joinable metadata files (12-month historical meter consumption data and project information, such program enrollment date and project completion date). Additional optional information that will be useful in understanding program performance could include predicted savings, measure combinations, contractor names, and other categorical variables that Recurve can use to cluster projects into cohorts as part of its analysis.

Targeting Use Case Overview

Multiple recent studies[1,2,3] have shown that targeting customers based on AMI data analysis can dramatically enhance the metered savings of energy efficiency programs. Utilities and CCAs have an opportunity to leverage their customer energy usage data to identify and market programs to the customers who would benefit the most from intervention while driving the greatest savings.
In California, both PG&E and SoCal Edison have put the top-performing targeting schemes to work to optimize their residential pay-for-performance programs. With this step, the California IOUs will achieve savings goals at a lower cost, enhance the value of those savings by focusing on peak load reduction, and provide better, more consistent results for participating customers.

The figure to the right shows the impact of targeting the distribution of participant savings for PG&E's home retrofit program. The upper panel shows savings results for the top half of customers, who were targeted based on their pre-program summer usage and normalized temperature-to-load correlation. The lower panel compares the results for the remaining half of non-targeted customers. The results are clear.

Targeted customers saved nearly 3.5 times more than non-targeted customers.
The change in the shape of demand behind the meter, regardless of what drove the change, is known as the "resource curve." By targeting the right classes of buildings and project types, whether residential or commercial, HVAC or lighting, the effects are measurable and, in a portfolio, predictable and consistent.



When combined with a T&D constraint's unique signature, it becomes possible to deploy virtual power plants consisting of aggregated behind the meter demand flexibility resources that maximize the value to the grid and the customer. The following examples show how targeting the right types of customers and interventions can maximize grid outcomes and be treated like a true resource.

Targeting Savings For When They Matter Most

The middle and top panels of Figure 1 show Recurve's measurement of the seasonal resource curves of two recent California energy efficiency programs. These measurements are carried out with the CalTRACK 2.0 hourly methods implemented by the open-source OpenEEmeter. The bottom panel gives the average marginal utility avoided cost by the hour for those same periods determined by the California Public Utilities Commission's Avoided Cost Calculator. The vertical dashed lines represent the 4 pm - 9 pm summer peak period where capacity, transmission, and distribution costs spike, making resource adequacy much more costly.

Figure 1 shows that the residential energy efficiency program (top), which consisted of HVAC maintenance, lighting, and smart thermostat measures, along with customer engagement and education, delivered the most significant demand reduction during peak hours, especially during the hot summer months. By comparison, the small/medium business direct install program (middle), consisting mainly of lighting and refrigeration measures, delivered a daytime-peaking resource curve and continual baseload (24 x 7)

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[1] *Customer Targeting for Residential Energy Efficiency Programs: Enhancing Electricity Savings at the Meter*, A.M. Scheer, S. Borgeson, K. Rosendo, 2017

[2] *Energy Efficiency Program Targeting: Using AMI Data Analysis to Improve At-the-Meter Savings for Small and Medium Businesses*, S. Borgeson, A.M. Scheer, R. Kasman et. al. 2018

[3] *Customer Targeting via Usage Data Analytics to Enhance Metered Savings*, 2018 ACEEE Summer Study, A.M. Scheer, S. Borgeson, R. Kasman et al.

savings.

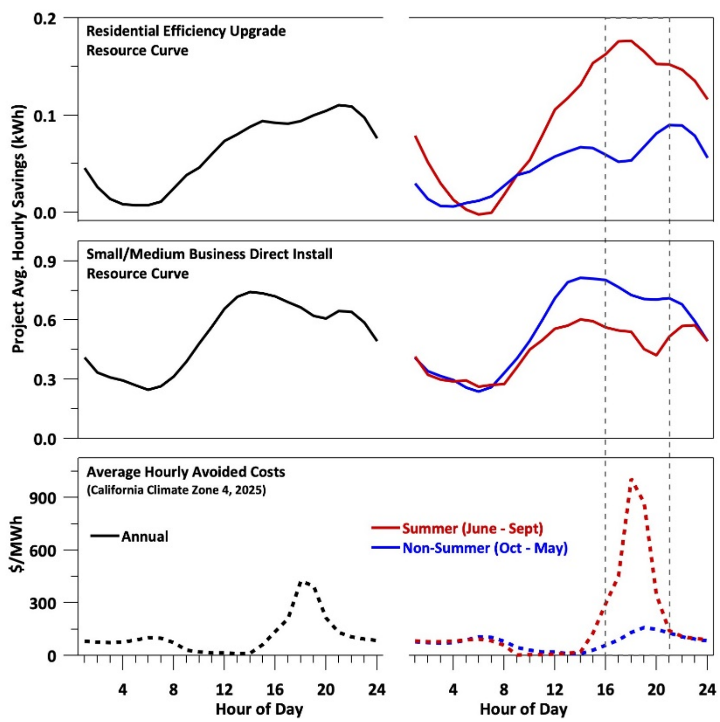

Figure 1: Resource curve (average hourly impact to demand) by season (annual = black, summer = red, non-summer = blue) for a recent California residential efficiency program (Top) and Small/Medium business direct install program (Middle). The bottom panel shows 2025 average hourly avoided costs for a representative California climate zone (Climate Zone 4).

This is reflected in the hourly avoided cost profile (bottom panel of Fig. 1), which essentially disappears during the midday hours of 9 am - 4 pm for all but the summer months. By contrast, the summer peak period exhibits a spike in marginal costs that stems from high capacity, transmission, and distribution costs.

With a metered resource curve that peaks in coincidence with these high summer evening marginal costs, the residential efficiency program yields far greater value on a per-MWh basis than the small/medium business direct install program. This can be seen in Fig. 2, which shows how avoided costs accrue by the hour for 1 MWh of savings for both of these programs.

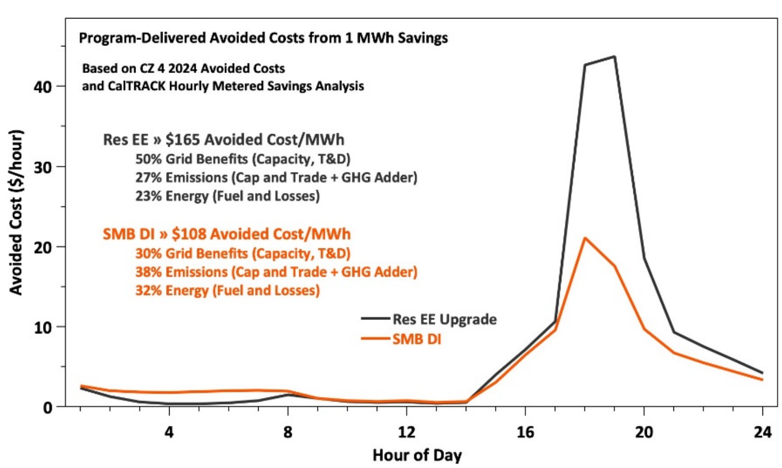

Figure 2: The results of multiplying through the hourly (8760) resource curves of the residential energy efficiency and small/medium business direct install programs by the 8760 avoided cost profile of California Climate Zone 4 (CZ 4) in 2025. The resource curves are normalized to 1 MWh to provide a normalized comparison between the programs. Each hour represents a summation of that hour's savings and avoided costs for 365 days.

Because the residential program delivers a high fraction of savings during the summer peak hours, 1 MWh equates to $165 in avoided costs, compared to $108 for the small/medium business direct install program. The latter program delivers 35% of its savings between 8 a.m. and 3 p.m., yet these savings yield only 6% of the program's total avoided costs. In contrast, despite only 7% of program savings occurring during the summer peak hours, those savings account for 37% of avoided costs.

Understanding their individual customer usage characteristics and orienting programs toward those customers with a high opportunity will be an essential strategy for achieving reliable, cost-effective impacts while also ensuring programs are serving customers most in need of the interventions.

Demand Flexibility Marketplace

Community Choice Aggregators need to address the growing load shape challenges driven by variability and electrification of heating and transportation to integrate renewable resources into the grid effectively. At the same time, they will need to confront ongoing challenges, costly T&D upgrades, the retirement of legacy power plants, and the need to design for resilience in the wake of climate change and other natural disasters.

In this context, behind-the-meter solutions, such as energy efficiency, demand response, and storage, should not be considered goals in-and-of themselves but viewed instead as integrated flexibility resources that can serve as the reliable counterpart to supply-side resources that non-wires alternatives (NWA) -- all while helping lower energy bills for customers. Flexibility resources must move beyond traditional designs and evaluation approaches to deliver reliable, verifiable changes in demand that meet specific time-and-locational grid needs.

Demand flexibility is all around us and can be captured through traditional utility programs or through markets and price signals. The latter is simply easier, lower cost, and less risk. There are thousands of innovative companies that are shaping demand with a variety of tools and technologies and developing a range of business models to drive customer demand - so why are programs betting the house with one company and leaving all other market participants out to die? Demand flexibility is about results at the meter and not a specific technology.

By allowing innovative private companies to compete for customers and optimize their own business model instead of program rules, we build a market where risk is diversified over the sheer volume of technology being applied. Poor performers drop out of the market; successful companies find their way to new business.

SCP has the opportunity to engage the market to provide best of class solutions to ratepayers while diversifying its own bet on technology and sharing performance risk with the market. This approach is being applied across the country in various forms, leveraging open-source revenue-grade accounting and market economics.

How Demand Flexibility Works

All markets have ground rules. To facilitate competitive demand flexibility markets, a structure for apples-to-apples valuation with other resources is essential. Just as you can't buy a pound of rice or a gallon of gas without all parties having confidence in the measurement system, a utility can't procure a kilowatt-hour of demand flexibility without knowing ahead of time how it will be determined, paid, and verified.

With behind-the-meter demand flexibility rooted in standardized, transparent, and timely metered measurement, it is finally possible to cultivate a real demand flexibility market that can innovate with confidence.

The challenge of measuring demand flexibility lies in establishing the “counterfactual” or “what would have happened in the program's absence.” For demand flexibility to compete as a legitimate resource we must address two measurement questions. First, how should the counterfactual be computed? Second, why should everyone have confidence in the results?

The solution comes from meter-based measurement with fully open source methods and deployable code that allows verification and replication by all parties. The CalTRACK methods and their implementation via the OpenEEmeter open-source codebase enable demand flexibility calculations via fully-specified, rigorous, tested, and standardized methods.

Once it is possible to measure the time and locational impacts of demand flexibility at the meter, it is possible to value it, just like other resources.

Demand Flexibility Project Description

Each aggregator enters into a Flexibility Purchase Agreement (FPA) that pays aggregators for all cost-effective value delivered at the meter on performance at the end of the first project year. The Flex Payment is calculated to provide the maximum market benefits, that are by definition cost-effective per the CPUC Total Resource Cost Test.

The Flex Payment is the difference between the avoided cost value of the project, which is the actual measured hourly resource curve (aka savings load shape) multiplied by the avoided cost value for each hour and the primary measures effective useful life (EUL), minus the total project cost (customer energy-related project spend + admin).

An Aggregator's Flex Payment is paid-on-performance at the end of the first 12-months of project operation. This payment represents the maximum available incentive that delivers a project that is the definition of cost-effectiveness per the Total Resource Cost Test.

Aggregators can increase their projects' value by both increasing savings volume and by delivering load shape impacts that are more valuable than the CPUC's deemed average resource curve (savings load shape).

The Efficiency Value will also be calculated for each project using the CPUC Deemed load shape and Effective Useful Life (EUL) values for a project's primary measure class, then subtracting customer and admin costs. This value can be thought of as a price floor for aggregators.

Recurve will enroll projects and track savings for every project in an aggregator's portfolio and provide aggregator's near-real-time M&V to all through our Fleet Manager portal, and track payment recommendations through the Flex Ledger.

How Payments Are Made

The Demand Flexibility Marketplace pays aggregators based on the value of every project that is cost-effective, defined as achieving a TRC of 1.0. This means that the customer's energy-related spending, administrative costs, and any incentive is equal to the lifetime Total Project Value.

Total Project Value is based on the delivered metered load shape and level of savings in the first 12 months of project operation, multiplied by the hourly avoided costs (in the CPUC Avoided Cost Calculator) for the useful life of the project, adjusted by required free ridership adjustment of .95 net to gross ratio, and the CPUC .076 discount rate. The minimum load shape value floor for any project is the CPUC DEER load shape associated with the primary measure or measure mix.

Project Eligibility

Demand Flexibility Marketplaces are agnostic to measures and business models; however, the expected useful life of the measures being implemented will affect the magnitude of the FPA rate. While final eligibility will be agreed to by SCP, eligibility requirements will likely resemble the following:

- Not currently participating in a CPUC-funded downstream program.
- Project site must be located in SCP territory, and receive electric distribution service from SCP.
- 12 consecutive months of energy usage data.
- If solar, installation must have been completed at least 12 months prior to intervention.
- Model fit needs to be < 1.0 CVRMSE (Recurve will conduct analysis at intake).

Project Enrollment Process

1. Each project is required to undergo an eligibility check.
2. Recurve verifies project eligibility.
3. Aggregators will submit eligible projects for enrollment.

    a. This is inclusive of a scope of work and third-party data release form.

4. Project begins and Recurve tracks savings

5. After tracking 12 months of savings data, Recurve will calculate aggregator payment values according to the FPA and issue a payment recommendation to SCP.

6. SCP payment for the value of savings generated.

Appendix B

Amendment to MSA for Demand FLEXmarket Services

DEFINITIONS:

"Load Serving Entity" - Secures energy and transmission service (and related Interconnected Operations Services) to serve the electrical demand and energy requirements of its end-use customers. In this case, the specific Load Serving Entities referred to are Community Choice Aggregators (CCAs).

"Aggregator" - Participant in the FLEXmarket providing technology and services to end customers with project submittals to the FLEXmarket for payment of incentives by Load Serving Entities under the program.

"End of Useful Life" (EUL) - Estimated lifespan of a demand flexibility measure used in the calculation of FLEXmarket incentives.

"Total Incentive Payment" – Total payments made to all Demand Response Providers from a Load Serving Entity under a Demand FLEXmarket.

"Total Program Value" shall be calculated using:

1. the forecasted energy savings and the forecasted marginal hourly savings load shape of the project for each hour of the year as provided by the aggregator,
2. the lead measure that will be used to forecast the marginal hourly savings load shape should this not be provided by the aggregator,
3. the associated measure expected useful life ("EUL")
4. participant costs (if applicable).

RECURVE shall calculate the program value of each installed project ("Program Value") creating an "enrollment summary" that will be delivered to CALPINE ENERGY SOLUTIONS for communication to LSE on a quarterly basis. Program value mirrors the calculation of "net benefits" as defined by the PUC ("Public Utilities Commission" or "Public State Commission").

RECITALS:

WHEREAS, Sonoma Clean Power, a Community Choice Aggregation provider, desires to work with Calpine Energy Solutions and Recurve Analytics, a partner/subcontractor to Calpine Energy Solutions, to administer its FLEXmarket (the "Program") with third party project implementers (each, an "Aggregator" and collectively the "Aggregators") who have developed portfolios of Energy Flexibility Projects (each, an "EFP" and collectively the "EFPs"), and specifically to provide the services described in **Exhibit A**; and

WHEREAS, Recurve seeks to provide, and warrants that it is qualified and competent to render, the services described in **Exhibit A**.

NOW, THEREFORE, for and in consideration of the agreement made, and the payments to be made by LSE, the Parties agree to the following:

1. <u>SCOPE OF SERVICES</u>:

CALPINE ENERGY SOLUTIONS and RECURVE agree to provide all of the services described in **Exhibit A**, which is attached hereto and by this reference made a part hereof. "Services" shall mean all of the services described in **Exhibit A**, and any other work performed by CALPINE ENERGY SOLUTIONS and RECURVE pursuant to the Agreement.

2. <u>LSE OBLIGATIONS</u>:

During the term of this Agreement, and in addition to LSE's other obligations under this Agreement, LSE agrees to:

2.1 Promptly upon request from CALPINE ENERGY SOLUTIONS, provide CALPINE ENERGY SOLUTIONS and RECURVE all pertinent data and records necessary for CALPINE ENERGY SOLUTIONS and RECURVE's delivery of the Services.

2.2 Regularly and on a timely basis, provide data for CALPINE ENERGY SOLUTIONS and RECURVE's use in calculating LSE's payments to Aggregators under applicable Flexibility Purchase Agreements ("FPA") and LSE-specific terms and conditions, which will be furnished and/or developed as part of the FLEXmarket Program Plans .

2.3 Pay undisputed and verified invoiced amounts to Aggregators within 30 days of receiving invoices and supporting documentation from CALPINE ENERGY SOLUTIONS and RECURVE.

3. <u>FEES AND PAYMENT SCHEDULE; INVOICING</u>:

LSE shall compensate CALPINE ENERGY SOLUTIONS for the Services in accordance with the Fee Schedule attached hereto as **Exhibit A** and by this reference incorporated herein. CALPINE ENERGY SOLUTIONS is responsible for billing LSE in a timely and accurate manner. CALPINE ENERGY SOLUTIONS shall email all invoices to LSE on a monthly basis as specified in **Exhibit A** for any Services rendered or expenses incurred hereunder. The final invoice must be submitted within 30 days of completion of the Services or termination of this Agreement. LSE will process payment for undisputed invoiced amounts within 30 days of receipt of such invoice.

4. <u>TERM</u>:

This Agreement shall commence on **[Month Day], [YEAR]**. Recurve may enroll new Projects under the Program until [**Month Day**] [YEAR]. This Agreement shall terminate when CALPINE ENERGY SOLUTIONS and RECURVE have completed the Services on the last Project enrolled (the "Term").

5. <u>TERMINATION</u>:

5.1. If either Party (the "Defaulting Party") fails to comply with the terms of this Agreement or violates any ordinance, regulation or other law which applies to its performance herein, and does not cure such failure or violation within ten (10) business days after receiving written notice thereof from the other Party, the other Party may terminate this Agreement by giving five (5) business days' written notice to the Defaulting Party. For the avoidance of doubt, this paragraph A shall apply to any failure by LSE to pay an Aggregator in accordance with this Agreement or the FPA.

5.2. Either Party shall be excused for failure to perform its obligations herein if such obligations are prevented by acts of God, pandemics, epidemics, strikes, labor disputes or other forces ("Force Majeure") over which the Party claiming Force Majeure has no control and which is not caused by any act or omission of the Party claiming Force Majeure, but only for so long as the Party claiming Force Majeure is actually so prevented from performing, and only provided the Party claiming Force Majeure provides prompt written notice to the other Party.

5.3. Either Party hereto may terminate this Agreement for any reason by giving sixty (60) calendar days' written notice to the other party. Notice of termination shall be by written notice to the other Party and shall be sent by email to the email address listed in Section 19 Invoices; Notices.

5.4. In the event of termination not the fault of Recurve, CALPINE ENERGY SOLUTIONS and RECURVE shall be paid for all Services performed to the date of termination in accordance with the terms of this Agreement. Notwithstanding anything contained in this Section 5 in no event shall LSE be liable for lost or anticipated profits or overhead on uncompleted portions of the Services. Recurve shall not enter into any agreement, commitments or subcontracts that would incur significant cancellation or termination costs without prior written approval of LSE, and such written approval shall be a condition precedent to the payment of any cancellation or termination charges by LSE under this Section 5. Also, as a condition precedent to the payment of any cancellation or termination charges by LSE under this Section 5, Recurve shall have delivered to LSE any and all reports, drawings, documents and deliverables prepared for LSE before the effective date of such cancellation or termination.

5.5. This Agreement shall be subject to changes, modifications, or termination by order or directive of the California Public Utilities Commission ("CPUC"). The CPUC may from time to time issue an order or directive relating to or affecting any aspect of this Agreement, in which case LSE shall have the right to change, modify or terminate this Agreement in any manner to be consistent with such CPUC order or directive. LSE may also terminate this Agreement if funding for this Agreement is reduced or eliminated by a third-party funding source.

5.6. Upon LSE's termination of this Agreement for any reason, Recurve shall bring the Services to an orderly conclusion as directed by LSE.

6. <u>INVOICES; NOTICES:</u>

All invoices and notices pursuant to this SOW shall be submitted in accordance with Exhibit A below and the Master Services Agreement between the parties executed on ____________________.

7. <u>ACKNOWLEDGEMENT OF EXHIBITS:</u>

In the event of a conflict between the terms of this Agreement and the terms in any of the following Exhibits, the terms in this Agreement will govern.

	☒	***<u>Check Applicable Exhibits</u>***	**<u>CALPINE INITIALS</u>**	**<u>LSE'S INITIALS</u>**
<u>EXHIBIT A.</u>	☒	**Scope of Services** **Fees and Payment**		

8. <u>BILLING, ENERGY USE, AND PROGRAM TRACKING DATA</u>:

8.1. CALPINE ENERGY SOLUTIONS and RECURVE shall comply with and timely cooperate with all CPUC directives, activities, and requests regarding the Program and Project evaluation, measurement, and verification ("EM&V"). For the avoidance of doubt, it is the responsibility of CALPINE ENERGY SOLUTIONS and RECURVE to be aware of all CPUC requirements applicable to the Services of this Agreement.

8.2. CALPINE ENERGY SOLUTIONS and RECURVE shall make available to LSE upon demand, detailed descriptions of the Program, data tracking systems, baseline conditions, and participant data, including financial assistance amounts.

8.3. CALPINE ENERGY SOLUTIONS and RECURVE shall make available to LSE any revisions to Recurve's program theory and logic model ("PTLM") and results from its quality assurance procedures, and comply with all LSE EM&V requirements, including reporting of progress and evaluation metrics.

9. <u>COORDINATION WITH OTHER PROGRAM PARTICIPANTS:</u>

CALPINE ENERGY SOLUTIONS and RECURVE shall coordinate with other Program participants, including investor-owned utilities and local government agencies authorized by the CPUC to implement CPUC-directed energy efficient programs, administering energy efficiency and/or demand response programs in the same geographic area as LSE. The CPUC may develop further rules related to coordination between Program participant in the same geographic area, and any participant is required to comply with such rules.

Exhibit A

Services related to the FLEXmarket Programs

Scope of Work

1. CALPINE ENERGY SOLUTIONS and RECURVE shall jointly manage the FLEXmarket Programs according to the Division of Responsibility.

2. CALPINE ENERGY SOLUTIONS and RECURVE shall provide third-party Program management by:
    a. Contracting with Demand Flexibility Providers (DFPs) who will develop projects or portfolios of projects pursuant to the terms of the FPA and LSE-specific Terms and Conditions .
    b. Being responsible for managing operational Program functions, including but not limited to:
        i. Recruiting and qualifying DFPs, including by ensuring the requirements set forth in the FPA and Program Plans are met, and DFPs (and any applicable subcontractors thereto) will deliver projects under the requirements of the Programs.
        ii. Provide input to the Program Implementation Plans for FLEXmarket Programs for the LSE to include in the appropriate LSE-authored Program Implementation Plan ("PIP") as applicable.
        iii. Collecting, storing, and, upon oral or written request by LSE, promptly sharing with LSE all project and programmatic data, including but not limited to project costs, predicted Energy Savings ("Energy Savings" defined as the annual/first year reduction in kWh of therms over the baseline year, or in the case of events as described in the Peak FLEXmarket Program plans day-ahead signaled demand reduction, credited to a specific intervention or set of interventions at a DFM Participant's facility), measure lists, and enrollment dates.
        iv. Implementing the scope described herein for the Programs, including DFP and end users of DFPs ("DFM Participant") eligibility rules, access to incentive budgets, as defined by the Implementation Plan, Measurement & Verification ("M&V") plan, and Operation & Maintenance ("O&M") plan;
        v. Recommending Quality Assurance ("QA") requirements for LSE to implement;
        vi. Accepting enrollment of eligible DFM Participants in the Programs, aggregating a portfolio of projects for each participating DFP and one portfolio for the Programs, calculating Program energy savings for each DFP, and collecting all necessary data for FLEXmarket infrastructure as defined by the Implementation plan;
        vii. Implementing a process to approve predicted grid value of first year Normalized Meter Energy Consumption (NMEC) savings provided by projects, which approval process shall be described in the applicable section of LSE's PIP;
        viii. Implementing coordination protocols for DFPs when multiple DFPs are serving the same or similar DFM Participant groups or are otherwise in competition, if necessary;
        ix. Adhering to LSE branding and marketing requirements for materials created for direct customer engagement when requested by LSE, and consistently incorporating LSE feedback and guidance pertaining to customer relationship management in alignment with the program delivery.

c. Managing the allocation of incentive budgets among the DFPs in accordance with the PIP by ensuring that DFM Participant impacts and delivered benefits are fully optimized within budget availability, and by ensuring that sufficient incentive funds are available for all DFPs enrolled through FPAs.
d. Upon request from the LSE, sharing the following programmatic data including but not limited to project costs, predicted Energy Savings ("Energy Savings" defined as the annual/first year reduction in kWh of therms over the baseline year, credited to a specific intervention or set of interventions at a DFM Participant's facility), measure lists, and enrollment dates.
e. Adhering to LSE branding and marketing requirements for materials created for direct customer engagement when requested by LSE, and consistently incorporating LSE feedback and guidance pertaining to customer relationship management in alignment with the program delivery model.
f. Generate and validate DFP invoices and provide to LSEs on a monthly basis.
g. Providing LSE with standard Program savings reports (quarterly and annually) to support LSE's preparation of Savings Claims

3. When applicable and specific to ratepayer-funded Programs, CALPINE ENERGY SOLUTIONS and RECURVE shall report Normalized Metered Energy Consumption (NMEC) savings to CALPINE ENERGY SOLUTIONS by:
   a. Adhering to the CPUC "Rulebook for Programs and DFPs Based on Normalized Metered Energy Consumption, Version 2.0, Release Date: January 7, 2020" ("Rulebook") in the management of LSE'S population-level NMEC Program (or similar Rulebook for other states). RECURVE shall be responsible for tracking the publication of any updates or new versions of the Rulebook and shall utilize, and ensure that all DFPs utilize, the updated or new versions once released.
      i. As defined in the Rulebook, "Claimable Savings" (or "Claimed Savings", or "Savings Claims") means "the savings reported by Program Administrators to the Commission prior to formal evaluation, measurement, and verification (EM&V)."
      ii. "Payable savings" as defined in the Rulebook, are "the savings determined via the method and calculation software described in a program's M&V Plan which constitute the basis of payments between the Program Administrator and Implementer(s). Payable savings determinations may differ from claimable savings in that payable savings may account differently for net-to-gross determinations, non-routine events and outliers, and/or other similar considerations."
   b. With respect to "Claimable Savings," within one year plus 60 days after completion of each project, verified data shall be provided, completed NMEC savings assessments, and supporting materials, including auditable meter-level records of calculations, for the purposes of supporting Savings Claims filings with the PUC and/or any other governing authorities as may be required. Savings Claim methodology will be specified in the PIP filed by the LSE that CALPINE ENERGY SOLUTIONS contracts with the PUC prior to program launch or in other official documentation.
   c. With respect to payable energy savings CALPINE ENERGY SOLUTIONS and RECURVE shall:
      i. Incorporate payable energy savings per the PIP;
      ii. Report verifiable payable energy savings for the purpose of invoicing and paying DFPs;
      iii. Create reproducible methodology for assigning payments to DFPs where deviations from standard methodology may be allowed in a specific M&V plan attached to the FPA and produce such methodology to LSE.

4. CALPINE ENERGY SOLUTIONS and RECURVE shall provide Program administrative support by:
   a. Annually providing LSE with cost effectiveness forecasts and budget requests that rely on and incorporate the primary measure load shape from CPUC's Database of Energy Efficiency Resources (or

similar for states outside California) or approved work papers for the forecasted potential to support LSE's Annual Budget Advice Letter (ABAL) after one year of program operation where applicable;

b. Providing LSE with standard Program M&V Reports, generated within three months of the close of each program year, which will demonstrate verifiable consistency with the Program's M&V Plan;
c. Providing routine reports of Demand Flexibility impacts, as well as access to a FLEXmarket dashboard that tracks Aggregator enrollment, Program DFP enrollment, flexibility impacts, and payments;
d. Support LSE's communication of a day-ahead signaled prices for Demand Flexibility on event days ("event days" to be defined in Program Plan) where applicable;
e. Supporting LSE or PUC-led EM&V studies or program evaluations by collecting and submitting project, DFM Participant, and program-level data;
    i. Specifically, by providing good faith support and coordination with other Program Administrators that offer or intend to offer population-level NMEC programs within LSE's service area or adjacent service areas;
f. Providing LSE and/or the Public Utilities Commission (PUC) with access to auditable records for regulatory Savings Claims or evaluations where applicable;
g. Providing Quality Assurance by providing the following documents and information to LSE:
    i. Baseline annual consumption amounts for each project;
    ii. Anticipated Energy Savings and/or Flexibility Impacts;
    iii. Technology measures or other energy efficiency improvements and/or flexibility strategies identified for installation, dependent on aggregator communication.

5. Program Scope Assumptions and Understandings:
    a. CALPINE ENERGY SOLUTIONS is not a party to the FPAs with DFPs.
    b. LSE is not a party to the FPAs with the DFPs.
    c. RECURVE is authorized to modify the form of FPA used with specific DFPs, including modification to any FPA exhibit.
    d. RECURVE is authorized to modify the form of LSE Market Terms and Conditions and LSE NDA only upon LSE's prior written consent to any such modification.
    e. LSE is authorized to review each Measurement and Verification Plan (M&V Plan), Quality Assurance Plan (QA Plan) and Operation and Maintenance Plan (O&M Plan). Modification of any M&V Plan that includes payment terms shall require LSE's prior written consent.
    f. Unless otherwise agreed to in writing by both Parties, LSE shall be responsible for issuing payments to DFPs for undisputed invoiced amounts.
    g. All necessary DFP and DFM Participant data to be collected shall be outlined in the PIP.
    h. Parties acknowledge that CALPINE ENERGY SOLUTIONS and RECURVE are not responsible for submitting LSE's PIP to the California Energy Data and Reporting System.
    i. Energy savings and population-level NMEC rules are defined by the Rulebook.
    j. Updated or new versions of the Rulebook shall apply to this Agreement and be used by LSE, CALPINE ENERGY SOLUTIONS, and RECURVE once released.

Pricing

For Program services provided under this Agreement, LSE shall pay CALPINE ENERGY SOLUTIONS in accordance with the amount(s) and schedule as specified below:

Line Item	Price
Demand FLEXmarket **Energy Efficiency Program Administration**	25% of Total Program Value
Peak FLEXmarket Program Administration	25% of Total Incentive Payment

1. Monthly Invoices. CALPINE ENERGY SOLUTIONS shall bill LSE monthly by written invoice ("Invoice") for 25% of the Total Program Value of the projects completed (each a "Project Completion") in the previous month, as defined and further detailed below. Project Completion shall be defined in the associated PIP ("Implementation Plan") and evidenced by receipt of the final invoice, as provided by the Aggregator to the DFM Participant.

   RECURVE shall calculate the program value of each installed project ("Program Value") creating an "enrollment summary" that will be delivered to CALPINE ENERGY SOLUTIONS for communication to LSE on a quarterly basis. Program value mirrors the calculation of "net benefits" as defined by the PUC ("Public Utilities Commission" or "Public State Commission").

   LSE shall pay undisputed Invoice amounts equaling 25% of the Total Program Value for all projects completed in the previous month.

2. DFP Documentation shall include the following:
   a. List of measures installed;
   b. Total DFM Participant cost of installing or implementing the measures;
   c. Anticipated Energy Savings for the project (as they are defined and calculated in the Rulebook);
   d. The Anchor Measure;
   e. An End of Useful Life (EUL) of the measures installed

Additional details on required project documentation may be included in the PIP as confirmed in writing by LSE, RECURVE and CALPINE ENERGY SOLUTIONS.

3. Fee Assumptions and Understandings:
   a. The Anticipated Energy Savings for the project, the savings load shape, and the Anchor Measure EUL are the "Key Inputs" required to calculate the monetary benefits of a project using the CPUC's Avoided Cost Calculator, or for markets outside of California, the mutually agreed upon cost stack.
   b. These key inputs determine the monetary value of the project, which when divided by the Total Resource Costs, as defined by the PUC, are the main determinants of program Cost Effectiveness, as defined by the PUC.
   c. The values of the Avoided Cost Calculator are in the public domain and have been incorporated into a pricing tool developed by RECURVE that will be used to determine the value of the project and thus determine the payment due to RECURVE.

Staff Report – Item 04

To:	**Sonoma Clean Power Authority Community Advisory Committee**
From:	**Geof Syphers, CEO** **Mike Koszalka, COO** **Rebecca Simonson, Director of Programs** **Neal Reardon, Director of Regulatory Affairs** **Erica Torgerson, Director of Customer Service**
Issue:	**Recommend Board Ratification of Generation Rates Effective April 1, 2022, Consistent with Prior Board Direction**
Date:	**March 17, 2022**

Recommended Action

Staff is notifying the Community Advisory Committee of a generation rate change shown in Addendum 1 that will be implemented April 1, 2022. This rate adjustment falls under the Board of Directors' conditional rate adjustment approval approved on February 3, 2022. Rates are now set so that total customer bills are equal to PG&E bundled rates effective April 1, 2022.

Staff request the Committee recommend the Board ratify these rates at their next meeting.

Background

The Sonoma Clean Power Board of Directors voted on February 3, 2022, in favor of new customer rates to be implemented as soon as staff practically can following PG&E's expected changes to PCIA and rates, using the following parameters:

1. Recovers all forecast expenses in the current fiscal year ending June 30, 2022.

2. All rate classes are reset so SCP customer total bills have an equal percentage difference from bundled service total bills.

3. Sets rates to the lowest values which achieve both of the above criteria so long total bills are between equal and 3% above bundled service bills.

4. Requires that staff return to the Board following rate implementation to have the final rate tables ratified.

Discussion

PG&E updated their generation and delivery rates and the PCIA on March 1, 2022. The SCP rates effective April 1, 2022, shown in Addendum 1 are set such that the customer total bills are equal to PG&E bundled service.

A budget adjustment reflecting these rates with adjusted fiscal year revenue is included later in this Board packet.

Attachments

- Addendum to April 1, 2022, Rate Adjustment, available at this link or by request to the Clerk of the Board

Staff Report – Item 05

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: March 17, 2022

ADVANCED ENERGY CENTER

The Advanced Energy Center has reopened! During the closure, staff worked on new design additions of simple solutions on how to live in an all-electric home. We encourage you to visit and see the updates.

CURRENT ENROLLMENT

Clean Start:

COUNTY	Eligible	SCP	% Part.	% Opt Out
MENDOCINO	**38,437**	**30,712**	**79.9%**	**20.1%**
FORT BRAGG INC	4,032	3,347	83.0%	17.0%
POINT ARENA INC	349	297	85.1%	14.9%
UNINC MENDOCINO CO	31,313	24,872	79.4%	20.6%
WILLITS INC	2,743	2,196	80.1%	19.9%
SONOMA	**225,300**	**198,667**	**88.2%**	**11.8%**
CLOVERDALE INC	3,891	3,237	83.2%	16.8%
COTATI INC	3,876	3,519	90.8%	9.2%
PETALUMA INC	27,087	24,126	89.1%	10.9%
ROHNERT PARK INC	19,161	17,086	89.2%	10.8%
SANTA ROSA INC	76,922	68,256	88.7%	11.3%
SEBASTOPOL INC	4,417	4,022	91.1%	8.9%
SONOMA INC	6,445	5,640	87.5%	12.5%
UNINC SONOMA CO	73,537	64,030	87.1%	12.9%
WINDSOR INC	9,964	8,751	87.8%	12.2%
Total	**263,737**	**229,379**	**87.0%**	**13.0%**

Evergreen:

COUNTY	SCP Meters	EverGreen Meters	EverGreen %
⊟ **SONOMA**	**198,667**	**3,358**	**1.69%**
SEBASTOPOL INC	4,022	170	4.23%
COTATI INC	3,519	123	3.50%
PETALUMA INC	24,126	565	2.34%
SANTA ROSA INC	68,256	1,158	1.70%
UNINC SONOMA CO	64,030	962	1.50%
SONOMA INC	5,640	80	1.42%
ROHNERT PARK INC	17,086	230	1.35%
CLOVERDALE INC	3,237	23	0.71%
WINDSOR INC	8,751	47	0.54%
⊟ **MENDOCINO**	**30,712**	**410**	**1.33%**
POINT ARENA INC	297	13	4.38%
UNINC MENDOCINO CO	24,872	336	1.35%
FORT BRAGG INC	3,347	41	1.22%
WILLITS INC	2,196	20	0.91%
Total	**229,379**	**3,768**	**1.64%**

PLANNED MARKET RESEARCH

To gauge overall brand awareness and to better understand customers' (and non-customers') needs and opinions, Sonoma Clean Power plans to conduct an annual survey, beginning in late March, with findings available in May. Spanish language focus groups have just been completed, with findings expected by mid-March. Next fiscal year, SCP plans to conduct customer satisfaction and commercial account surveys. Each survey instrument's findings will help inform future marketing, customer program and outreach efforts.

PROGRAMS UPDATES

Energy education in schools

Leveraging Sonoma Water's successful water education program, SCP continues to collaborate with Sonoma Water to deliver energy education to Sonoma and Mendocino schools. The Water and Energy Education Program is free and provides classroom visits, field trips, contests, grants, teacher workshops, and school supplies.

In an effort to increase participation in Mendocino County, Sonoma Water recently sent out a newsletter to Mendocino County educators to provide information on the multiple opportunities available to teachers and students at no cost. A copy of the newsletter is attached to this report and can be found at: https://myemail.constantcontact.com/FREE-classroom-presentations-and-school-supplies.html?soid=1133047766577&aid=j1UbdOCRLeU For more information on the program, please visit www.sonomawater.org/education.

Elementary School

In January 2022, 13 third-grade classes received presentations, totaling 265 students. Presentation topics included climate change, greenhouse gas emissions, and water and energy conservation. Schools included Penngrove Elementary (Penngrove), Valley Vista Elementary (Petaluma), Mark West Elementary (Santa Rosa), Abraham Lincoln Elementary (Santa Rosa), Cali Calmecac (Windsor), Kenwood Elementary (Kenwood).

High School

SCP and Sonoma Water are developing new high school lessons on climate change and designing field trips to the Advanced Energy Center.

Teacher Support

A Call to Action, a small grant program, is available for teachers and their students for projects related to water or climate change. Teachers can request $100 to $1,000 for their solution-focused project.

A 5-day teacher workshop highlighting climate change resilience and education opportunities in Mendocino and Sonoma Counties is planned for July 2022.

Advanced Energy Build

Advanced Energy Build (AEB), Sonoma Clean Power's territory-wide new construction program, has received project applications representing a combined 624 housing units as of 2/16/22. This includes 597 multifamily units and 27 single-family homes, with 80% being affordable homes and 100% of which will be all-electric. Staff has extended the program application deadline to June 30th for low-income projects. In total, the program is expected to provide up to $1.9M in incentives to help build high-efficiency and all-electric new homes in Sonoma and Mendocino counties.

MONTHLY COMPILED FINANCIAL STATEMENTS

The year-to-date change in net position is slightly lower than projections due primarily to greater than expected cost of energy. Revenue from electricity sales and the cost of energy are both nearly equal to budget projections, however forecast energy expenses are higher than budgeted. Year-to-date electricity sales reached $103,745,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive $96,605,000, as SCP continues to make progress towards its reserve goals. In addition to Net Position, SCP maintains an Operating Account Fund of $26,000,000 at the end of the period. Approximately $72,495,000 is set aside for reserves (Operating Reserve: $59,376,000; Program Reserve: $10,875,000; and Collateral Reserve: $2,244,000).

BUDGETARY COMPARISON SCHEDULE

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

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 budge at the end of the reporting period.

The cost of electricity is less than the budget-to-date by approximately 0.5%. 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.

ATTACHMENTS

- Water and Energy Education Newsletter
- January 2022 Financials

UPCOMING MEETINGS

- Board of Directors – April 7, 2022
- Community Advisory Committee – April 21, 2022
- Board of Directors – May 5, 2022

SHARE:

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Water and Energy Education Newsletter

Mendocino County Edition

Hello Mendocino County Teachers,

Our education program at Sonoma Water invites you to participate in several FREE education programs available to K-12 teachers in Mendocino County. For the last several years, we have partnered with [Sonoma Clean Power](#) to bring the topics of energy, climate change, and energy conservation into classrooms beyond the Russian River watershed to include all of Mendocino County. We offer guest speakers, a musical assembly, free school supplies (including the map you see to the right), and more. Lessons can be presented either in-person or virtually. Read on to learn how we support teachers and their students in learning about the fundamentals of our water and energy systems.

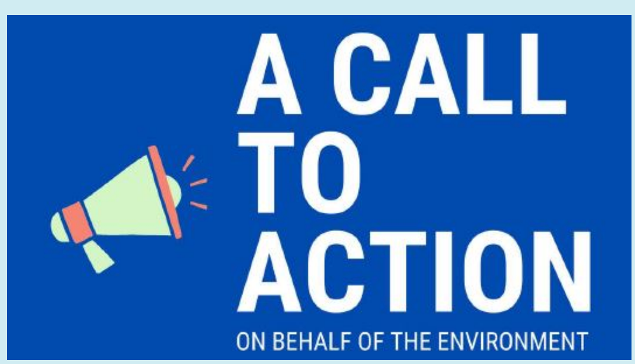
Best wishes and we hope to see you in 2022,

The Water and Energy Education Team at Sonoma Water
[www.sonomawater.org/education](#)

Stewardship grants for students and teachers

Stewardship grants for students and teachers

Up to $1,000 per project



In our first year offering this program, we put out a call to action and teachers responded!

We have mailed checks to support 7 classroom projects that include water catchment systems, worm composting, school waste reduction campaigns, water-filling stations, and school gardens.

Funds remain for a few more project applications, we can't wait to see what you and your students come up with.

Second round of applications due January 26, 2022

Available to all schools in Mendocino County

Apply Today

Grades TK-6

ZunZun Musical Assembly

Virtual or in-person

This musical duo raises awareness of the importance of conserving and protecting our environment through music, humor, and movement. Don't be surprised to see your students up and dancing as they learn the many ways to make a positive difference.

Available to all schools in Mendocino County

Contact ZunZun

Sign up for one of our free classroom lessons

An educator will come to your in-person or virtual classroom. Learn more about each lesson by exploring the links below.

Grade 4

Where Does our Electricity Come From?

Virtual or in-person

During a one-hour lesson, students take a deep dive into solar power and explore questions about it's pros and cons while experimenting with solar panels and small fans. A 5-part asynchronous lesson series provides background information about the connections between electricity and climate change.

Available to all schools in Mendocino County

Visit the 4th Grade Webpage

Grades 6-8

Electricity and Climate Change

Virtual or in-person

During this lesson, students are introduced to climate change and explore renewable energy as one promising solution. Students work in teams on a STEM challenge to design and create blades capable of spinning a small wind turbine.

Available to all schools in Mendocino County

Visit the 6-8 Grade Webpage

Grades 6-12

Drought Education

Virtual or in-person

Drought awareness is interwoven throughout all of our programs as our region continues to experience the effects of drought. Rainfall and reservoir storage levels remain at or below average. It is critical that we work together to protect and conserve our water resources, there's never enough to waste.

Middle and high school teachers can register for a new lesson dedicated to the fundamentals of drought. Students are asked to think critically about the effects of drought on the natural environment, their personal water use, and the best ways to conserve water.

Learning objectives:

- To become aware of current local drought conditions
- To explore environmental impacts of drought using models, pictures, and hands-on examples
- To feel empowered to conserve water and design solutions to help limit the impacts of drought

Available to schools located in:
Ukiah, Calpella, Mendocino, Potter Valley, and Redwood Valley

Middle School Teachers

High School Teachers

Grades 9-12

Climate Change in the North Bay

In this hands-on, one-hour presentation, students learn about the local impacts of climate change and how Sonoma Clean Power is helping California reach its carbon neutral goals. Students explore different ways to take climate action.

Available to all schools in Mendocino County

Register

Order a classroom set of FREE school supplies delivered to your classroom

Available to all schools in Mendocino County except Ukiah

Order Supplies

Interested in learning more about our FREE programs? Visit our website for more details or email us at: WaterEd@scwa.ca.gov

Learn More

MAHER
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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 January 31, 2022, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

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

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

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

Maher Accountancy

San Rafael, CA
March 2, 2022

SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Seven Months Ended January 31, 2022

	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) *	$ 102,558,073	$ 103,255,582	$ 697,509	101%	$ 179,277,000	$ 76,021,418
Evergreen Premium (net of allowance)	1,186,659	1,322,312	135,653	111%	2,074,000	751,688
Inflow from Operating Account Fund Reserves	-	-	-	0%	1,353,000	1,353,000
CEC Grant	1,204,583	861,728	(342,855)	72%	2,065,000	1,203,272
BAAQMD grant	29,167	71,250	42,083	244%	50,000	(21,250)
Interest income	490,000	193,307	(296,693)	39%	840,000	646,693
Total revenue and other sources	105,468,482	105,704,179	235,697	100%	185,659,000	79,954,821
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	97,978,208	97,609,851	(368,357)	100%	159,436,000	61,826,149
Data management	1,865,303	1,863,504	(1,799)	100%	3,198,000	1,334,496
Service fees- PG&E	567,397	566,045	(1,352)	100%	973,000	406,955
Personnel	3,616,667	3,061,165	(555,502)	85%	6,200,000	3,138,835
Outreach and communications	787,500	500,578	(286,922)	64%	1,350,000	849,422
Customer service	211,750	229,548	17,798	108%	363,000	133,452
General and administration	665,000	713,063	48,063	107%	1,140,000	426,937
Legal	239,167	208,438	(30,729)	87%	410,000	201,562
Regulatory and compliance	250,833	125,980	(124,853)	50%	430,000	304,020
Accounting	147,917	147,820	(97)	100%	245,000	97,180
Legislative	70,000	8,000	(62,000)	11%	120,000	112,000
Other consultants	131,250	162,281	31,031	124%	225,000	62,719
Industry memberships and dues	312,667	331,057	18,390	106%	536,000	204,943
Program implementation	3,290,000	1,459,379	(1,830,621)	44%	5,640,000	4,180,621
Program - CEC grant	2,333,333	825,355	(1,507,978)	35%	4,000,000	3,174,645
Total current expenditures	112,466,992	107,812,064	(4,654,928)	96%	184,266,000	76,453,936
OTHER USES						
Capital outlay	812,583	818,656	6,073	101%	1,393,000	574,344
Total Expenditures, Other Uses and Debt Service	113,279,575	108,630,720	(4,648,855)	96%	185,659,000	77,028,280
Net increase (decrease) in available fund balance	$ (7,811,093)	$ (2,926,541)	$ 4,884,552		$ -	$ 2,926,541

** Represents sales of approximately 1,363,000 MWh for 2021/22 YTD actual.*

RESERVES	Current Balance	% of Long-Term Target	Long-Term Target Balance
Operating Cash Reserve	$ 59,376,000	64%	$ 92,133,000
Program Cash Reserve	10,875,000	59%	18,426,600
Collateral Cash Reserve	2,244,000	14%	15,943,600
	$ 72,495,000	57%	$ 126,503,200

See accountants' compilation report.

SONOMA CLEAN POWER AUTHORITY

OPERATING FUND
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
Seven Months Ended January 31, 2022

Net increase (decrease) in available fund balance per budgetary comparison schedule:	$	(2,926,541)
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:		
Subtract depreciation expense		(796,884)
Add back capital asset acquisitions		840,555
Add back certain program expenses recognized for budget purposes only		(200,000)
Change in net position	$	(3,082,870)

MAHER
ACCOUNTANCY

ACCOUNTANTS' COMPILATION REPORT

Management
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of January 31, 2022, 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
March 2, 2022

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION
As of January 31, 2022

ASSETS	
Current assets	
Cash and cash equivalents	$ 50,115,913
Accounts receivable, net of allowance	19,222,156
Other receivables	1,585,162
Accrued revenue	8,185,108
Prepaid expenses	995,171
Deposits	5,119,205
Total current assets	85,222,715
Noncurrent assets	
Unrestricted cash in Rate Stabilization Fund	26,000,000
Land	860,520
Capital assets, net of depreciation	19,078,776
Deposits	5,160,922
Total noncurrent assets	51,100,218
Total assets	136,322,933
LIABILITIES	
Current liabilities	
Accrued cost of electricity	10,653,448
Accounts payable	1,543,280
Other accrued liabilities	1,063,954
User taxes and energy surcharges due to other governments	456,909
Total current liabilities	13,717,591
DEFERRED INFLOWS OF RESOURCES	
Rate Stabilization Fund	26,000,000
NET POSITION	
Investment in capital assets	19,939,296
Unrestricted	76,666,046
Total net position	$ 96,605,342

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Seven Months Ended January 31, 2022

OPERATING REVENUES	
Electricity sales, net	$ 103,255,582
Evergreen electricity premium	1,322,311
Grant revenue	932,978
Total operating revenues	105,510,871
OPERATING EXPENSES	
Cost of electricity	97,609,852
Contract services	5,573,270
Staff compensation	3,061,164
General and administration	1,126,581
Program rebates and incentives	619,298
Depreciation	796,884
Total operating expenses	108,787,049
Operating income (loss)	(3,276,178)
NONOPERATING REVENUES (EXPENSES)	
Interest income	193,307
Nonoperating revenues (expenses), net	193,307
CHANGE IN NET POSITION	(3,082,871)
Net position at beginning of period	99,688,213
Net position at end of period	$ 96,605,342

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS
Seven Months Ended January 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 106,339,035
Other operating receipts	4,783,470
Payments to electricity suppliers	(104,985,421)
Payments for other goods and services	(6,566,644)
Payments for staff compensation	(3,117,952)
Tax and surcharge payments to other governments	(1,477,891)
Payments for program rebates and incentives	(774,510)
Net cash provided (used) by operating activities	(5,799,913)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments to acquire capital assets	(3,405,959)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income received	225,421
Net cash provided (used) by investing activities	225,421
Net change in cash and cash equivalents	(8,980,451)
Cash and cash equivalents at beginning of year	85,096,364
Cash and cash equivalents at end of period	$ 76,115,913
Reconciliation to the Statement of Net Position	
Unrestricted cash and cash equivalents (current)	$ 50,115,913
Unrestricted cash and cash equivalents (noncurrent)	26,000,000
Cash and cash equivalents	$ 76,115,913

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS (continued)
Seven Months Ended January 31, 2022

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

Operating income (loss)	$ (3,276,178)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	796,884
Revenue adjusted for provision for uncollectible accounts	2,134,302
(Increase) decrease in:	
Accounts receivable	(2,581,326)
Other receivables	(74,318)
Accrued revenue	793,496
Prepaid expenses	115,171
Deposits	(326,289)
Increase (decrease) in:	
Accrued cost of electricity	(2,141,656)
Accounts payable	92,115
Accrued liabilities	(1,435,695)
User taxes due to other governments	(63,219)
Supplier security deposits	166,800
Net cash provided (used) by operating activities	$ (5,799,913)

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Staff Report – Item 06

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:	**March 17, 2022**

Requested Action:

Receive legislative and regulatory updates and provide feedback as appropriate.

Regulatory Updates:

New Rates Going into Effect March 1, 2022

On February 10th the CPUC approved the Proposed Decision in PG&E's Energy Resources Recovery Account ("ERRA") Forecast proceeding which would lower exit fees levied on CCA customers and raise PG&E's bundled generation rates. This concludes a nearly 9-month process of litigation and data requests. Changes to PG&E bundled rates and the PCIA exit fee will go into effect March 1st, 2022. The new rates are consistent with what CCA staff expected and will allow for the agency to recoup funds used in the current fiscal year to reduce SCP customer costs.

SCP staff will bring a separate item to the board recommending adoption of rates based on the final rates adopted by PG&E. Adjustments to SCP rates would go into effect on April 1st, 2022.

Provider of Last Resort and Financial Security Requirements – March 7 workshop
The CPUC held a workshop to discuss the financial capability of the IOUs when serving as Provider of Last Resort (POLR) absorbing a large number of CCA customers in the case that a CCA fails. The CPUC is not interested in addressing situations where an IOU fails because there is clear evidence that the Governor and legislature will continue to bail out failed IOUs, a benefit that CCAs do not enjoy. The CPUC expressed a desire to raise the minimum CCA bond from $147,000 to $500,000, but the more material discussion was around how to address extreme conditions where returning customers come back to an IOU during extremely high market prices, potentially causing the IOU to go out and buy resources at an inopportune time. Most of the arguments during this phase of the process are around how to prepare for the possible failure of a CCA in a manner that doesn't unnecessarily block the formation of CCAs or introduce unreasonable new market risks. There are also a number of arguments over the details of calculating the hypothetical above-market costs an IOU could be exposed to in such a situation. Staff will update the Committee and Board on this matter as the proceeding unfolds.

Legislative Updates:

SB 881 (Min) Integrated Resource Plans – GHG Compliance Obligation

The Union of Concerned Scientists (UCS) is sponsoring a bill intending to ensure that all electric providers meet the greenhouse gas reduction goals implied by SB 100.

The situation is that SB 100 sets requirements for increasing use of renewable power sources and hydropower, and those requirements amount to de facto greenhouse gas requirements. However, UCS likely recognizes that the current penalties for missing the SB 100 requirements are currently low enough that at least one direct access provider has flagrantly ignored those requirements, opting to pay penalties rather than meet the obligations.

Staff's concern is that the bill's current language could slow down renewable procurement and limit SCP's ability to determine what kinds of clean power resources should be used, and increase ratepayer costs. These concerns arise because the bill would grant new powers to the CPUC to determine the mix of clean power resources a CCA must use to meet its greenhouse gas goals, and new powers to order backstop procurement of those resources. Such an approach risks significantly higher ratepayer costs since it presumes the CPUC has perfect foresight of the availability of specific resources, changes in market prices and knowledge of local needs.

CalCCA is working with the sponsor and author to help them achieve their goal of ensuring the State's greenhouse gas goals implied in SB 100 are achieved, while working to preserve CCA's ability to determine the best manner to achieve those goals. If these goals are met, staff will ask for SCP to support the bill.

SB 1158 (Becker) Hourly Greenhouse Gas Reporting

This bill proposes to get a better assessment of the power resources suppliers are relying on and replace the existing Power Content Label. The author notes that it is problematic to allow electric providers to report no fossil resources by buying excess renewable resources, for example.

The bill seeks to address this issue and related matters by establishing a number of new rules around integrated resource plans, greenhouse gas requirements, compliance reporting, and significantly by proposing a 24/7 hourly basis for these new rules. Similar to SB 881, this bill has a number of useful objectives but also a number of provisions that may need modification to make it practical to implement.

CalCCA is working closely with the author to try to make implementation easier while achieving the author's objectives.

AB 1814 (Grayson) Transportation Electrification – SUPPORT

SCP's Board voted to support AB 1814. CalCCA is sponsoring a bill to explicitly allow CCAs to apply for transportation electrification funding at the CPUC. If passed, this bill would greatly increase the stability of funds available to administer for local electric vehicle infrastructure and related work. See attached press release.

SB 1287 (Bradford) Financial Security Requirements for CCAs

In existing law, CCAs must post a bond with the CPUC to cover the costs of six months of incremental power resources in case a CCA should fail and cause their customers to go back to the IOU. This bill would increase the bond amount to be the estimated incremental procurement costs for twelve months and set a floor for the bond of $500,000. The bond would have no upper limit.

Staff are concerned this bill needs important clarifying language to ensure it doesn't discourage or prevent new CCAs from forming, particularly in rural and poor areas, since the bond amount could be extremely large and would need to be posted prior to a new CCA receiving any income. Without clarification of how the amount is calculated, the bill could play a contributing factor in causing a CCA to fail, since the bond could roughly double a CCA's exposure to market price movement and could prevent a CCA from fully insuring against this risk through prudent procurement.

Staff flagged this bill, but wish to engage the author before taking a position.

Bill	Author	Summary	Position
AB 1814	Grayson	Accelerate local/regional transportation electrification.	Support
AB 1944	Lee	Local government teleconference meetings.	Support
AB 2061	Ting	Requires data collection of EV chargers to monitor reliability.	
AB 2316	Ward	Creates the Community Renewable Energy Program to provide a pathway for solar for those communities that have not benefited from current rooftop solar initiatives.	Reviewing
AB 2399	Mayes	Allows an IOU to exit retail service under certain conditions.	Reviewing
AB 2703	Muratsuchi	Studies the reliability of ZEV refueling stations.	
AB 2838	O'Donnell	Allows an IOU to terminate a green tariff program and to spread the costs to all ratepayers in their service territory.	
AB 2937	Calderon	Allows IOUs to seek cost recovery of wildfire and climate adaptation investments.	
SB 881	Min	Enforces IRP GHG reduction goals.	Engaged with CalCCA on details
SB 833	Dodd	Grants for regional resiliency planning, including for PSPS events. Prioritizes low-income, disadvantaged and outage affected communities.	Recommend Support
SB 1112	Becker	Supports on-bill financing for building decarbonization investments through creating a deed notification requirement.	Recommend Support
SB 1158	Becker	Accurate reporting of LSE GHG emissions.	Engaged with CalCCA on details
SB 1174	Hertzberg	Interconnection delays and RA penalties	Engaged with CalCCA
SB 1274	McGuire	Establishes that offshore wind in Humboldt County constitutes an environmental leadership development project.	Engaged with RCEA
SB 1287	Bradford	Increases financial security requirements for CCAs to protect IOUs from absorbing CCAs customers in adverse market conditions.	Engaging with CalCCA

Bill	Author	Summary	Position
SB 1376	Stern	Strategic plan to connect 6,000 MW of new renewable power per year to California's transmission system starting in 2025.	
SCR 53	McGuire	Resolution declaring the global climate crisis	Support

Recommended Positions

SB 833 (Dodd) Community Energy Resilience Act – Recommend SUPPORT

This bill would create a grant program for local communities to apply for funding to develop community energy resilience plans through the State Energy Resources Conservation and Development Commission. Priority for the funding would go to low-income and disadvantaged communities experiencing power outages first, then to regions experiencing outages more generally. The bill is attached to this report.

SB 1112 (Becker) On Bill Financing Deed Record – Recommend SUPPORT

This bill would require SCP along with all other electric power providers offering on-bill loan financing to record the loan on the deed of the property. While this bill is quite narrow and focuses on an administrative requirement, this will help facilitate more widespread use of on-bill financing for building decarbonization work in California and staff recommends support. See attached.

Attachments:

- SCP Letter re: - NEM Reform A. Reynolds
- SCP Letter of Support for County of Mendocino REV Charging Grant
- SCP Letter of Support for SCTA 2022 TIRCP Application Omishakan
- SCP Letter of Support for SCTA 2022 TIRCP Application Newsom
- SCP Letter on AB 1814 – SUPPORT
- SCP Letter on AB 1944 – SUPPORT
- AB 1814 Fact Sheet
- AB 1814 Press Release
- AB 1814 Bill Language, available at this link or by request to the Clerk of the Board
- SB 1112 Bill Language, available at this link or by request to the Clerk of the Board
- SB 833 Bill Language, available at this link or by request to the Clerk of the Board

Sonoma Clean Power

431 E Street
Santa Rosa, CA 95404

sonomacleanpower.org

February 8, 2022

President Alice Reynolds
California Public Utilities Commission
505 Van Ness Ave
San Francisco, CA 94102

Re: Net Energy Metering Successor Tariff Proposed Decision

Dear President Reynolds,

We are writing to express our concerns with several elements in the proposed decision revising the Net Energy Metering ("NEM") Tariff.

Sonoma Clean Power Authority ("SCP") is the public power provider for Sonoma and Mendocino counties, serving a population of about a half-million. In downtown Santa Rosa, SCP operates the only Advanced Energy Center in the United States dedicated to helping customers transition to 100% renewable energy for their homes, businesses, and cars. SCP is also the only power provider in California offering 100% locally generated renewable energy twenty-four hours per day, every day of the year.

Our mission is to turn the tide of the climate crisis through bold ideas and practical programs. To achieve this, we will need a balanced portfolio of renewable resources. Rooftop solar plays an important role in this portfolio. In addition to supporting climate goals, it can enhance resiliency. IOUs indicate they plan to rely on the PSPS strategy to reduce the number of wildfires their equipment ignites for the coming decade. At best, this is an inconvenience. For medically vulnerable citizens, it is a direct threat to safety. Providing for continued use of solar and storage resources is necessary for these citizens to protect themselves from PSPS.

The proposed decision attempts to balance equitable rates and support for rooftop solar. However, we can do both. A variety of available technologies including batteries, heat pump water heaters, and electric vehicles can create demand just when solar produces it. Supporting increased adoption of these tools, via additional SGIP funding or similar mechanisms, will re-invigorate the value of solar energy. Without this, we allow solar to become a victim of its own success and suppress mid-day prices.

Imposing a grid access charge that bears little relation to a customer's actual reliance on the distribution system is both inequitable and draconian. It would also undermine other important policy efforts. By raising fixed costs, the Commission would neuter the effectiveness of another tool: time of use rates. Customers ultimately care about their total bill, not the individual components. They will not be motivated to change behavior in response to time of use rates if the bill impact is negligible. The Commission should reduce the grid access charge and tailor it to reflect actual reliance on the distribution system.

The proposed decision's introduction of retro-active ratemaking by ceasing to honor the 20-year NEM agreement promised to existing customers should be rejected. It will not only impact those customers but will undermine CA's credibility as a leader that stands by commitments. Work to reform NEM in a meaningful way should have begun five years earlier. However, customers should not be punished with a five-year reduction in benefits that resulted from the Commission's own delay. We do support the recent determination to re-open oral arguments and allow all five commissioners the opportunity to participate and fully develop their opinions on the matter.

We look forward to working with the Commission and stakeholders to pursue an affordable and stable clean energy future.

Sincerely,

Geof Syphers
CEO
Sonoma Clean Power Authority

Sonoma Clean Power
431 E Street
Santa Rosa, CA 95404
sonomacleanpower.org

March 8, 2022

Attention: California Energy Commission
Clean Transportation Program
GFO-21-604, Rural Electric Vehicle (REV) Charging
715 P Street
Sacramento, CA 95814

Subject: Letter of Support for County of Mendocino Rural EV Charging Grant Application

Sonoma Clean Power (SCP) is pleased to express our support for the application submitted by the County of Mendocino to the California Energy Commission's Clean Transportation Program, Rural Electric Vehicle (REV) Charging GFO-21-604.

SCP serves clean energy from more renewable resources, such as geothermal, wind, and solar to residents and businesses in Sonoma and Mendocino counties. As the community choice aggregator for the two counties, SCP is invested in the communities we live and work in and deliver services that enhance quality of life. By changing the way we source energy, and providing higher percentages of renewable energy that reduce greenhouse gas emissions, our customers are helping to solve the climate crisis at the local level.

The project proposed by the County of Mendocino to install electric vehicle (EV) charging stations in the city of Ukiah, that are easily accessible to the public and near disadvantaged communities, is the type of local level investment we stand for. Publicly accessible charging stations will play a key role in successfully transitioning to all-electric vehicle sales by 2035 to help fight the climate crisis.

We believe that the new charging opportunities proposed in this application will help spur the transition to electric vehicles for SCP customers living in Mendocino County. This infrastructure is especially important in rural areas, where residents drive more miles and typically have fewer alternatives to driving, such as public transportation.

We look forward to seeing the growth of EVs and EV infrastructure in Mendocino County and encourage your strong consideration of this project. Please feel free to contact me if you have any questions or would like further information.

Sincerely,

Geof Syphers
Chief Executive Officer

Sonoma Clean Power

431 E Street
Santa Rosa, CA 95404

sonomacleanpower.org

February 23, 2022

Attention: The Honorable Toks Omishakin
Secretary, California State Transportation Agency
915 Capitol Mall, Suite 350B
Sacramento, CA 95814

Subject: Letter of Support for 2022 Transit and Intercity Rail Capital Program (TIRCP) Application for the Sonoma Regional Bus and Rail Connectivity Improvements Project

Sonoma Clean Power (SCP) is pleased to offer this letter of support for the Sonoma County Transportation Authority (SCTA) grant application requesting $24.85 million in funding for the Sonoma County Regional Bus and Rail Connectivity Improvements Project. This project is a collaborative partnership between SCTA, Petaluma Transit, Santa Rosa CityBus, Sonoma County Transit, Sonoma Marin Area Rail Transit (SMART), and the Mendocino Transit Authority.

The move to quickly electrify public transit and improve connections will benefit communities traveling throughout Sonoma County, while supporting SCP's mission to turn the tide on the climate crisis. The proposed projects will bring significant benefits for our customers:

- Thirty new all-electric buses and associated charging infrastructure
- Passenger amenities for Petaluma Transit
- Construction of the SMART Petaluma North commuter rail station
- Network integration between Petaluma Transit, Santa Rosa CityBus, Sonoma County Transit, and improved connections to SMART, the Mendocino Transit Authority, and other transit operators within Sonoma County
- Reduced air pollution, GHG emissions, and VMT.

SCP strongly supports this application for transit electrification and coordination. This project is an important strategy to reduce climate emissions, improve quality of life, promote transit-oriented development, improve access to equity priority communities, and pursue a comprehensive and more sustainable transportation network for our future.

Thank you for considering SCTA's grant application.

Sincerely,

Geof Syphers
Chief Executive Officer

Sonoma Clean Power

431 E Street
Santa Rosa, CA 95404

sonomacleanpower.org

February 23, 2022

Attention: The Honorable Toks Omishakin
Secretary, California State Transportation Agency
915 Capitol Mall, Suite 350B
Sacramento, CA 95814

Subject: Letter of Support for 2022 Transit and Intercity Rail Capital Program (TIRCP) Application for the Sonoma Regional Bus and Rail Connectivity Improvements Project

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SCP strongly supports this application for transit electrification and coordination. This project is an important strategy to reduce climate emissions, improve quality of life, promote transit-oriented development, improve access to equity priority communities, and pursue a comprehensive and more sustainable transportation network for our future.

Thank you for considering SCTA's grant application.

Sincerely,

Geof Syphers
Chief Executive Officer

Sonoma Clean Power

431 E Street
Santa Rosa, CA 95404

sonomacleanpower.org

March 4, 2022

The Honorable Eduardo Garcia, Chairman
Assembly Utilities and Energy Committee
Sacramento, CA 95814

Re: AB 1814 (Grayson) – Support

Dear Chairman Garcia:

Sonoma Clean Power (SCP) is pleased to support AB 1814 (Grayson) which will allow Community Choice Aggregators (CCAs) to submit applications to the California Public Utilities Commission (CPUC) for programs and investments to accelerate widespread transportation electrification. SCP is a leader in providing discounts and incentives to our customers from the purchasing of electric vehicles to electric vehicle (EV) charging stations. However, if California is going to meet its transportation electrification goals, we must do more as a community.

AB 1814 will allow CCAs to access funds all California customers pay into which are administered by the CPUC, but only investor-owned utilities (IOUs) are currently able to access to support their programs. AB 1814 will allow CCAs the ability to apply for the funds in the same manner as IOUs. By allowing CCAs to access the funds, it will correct the inequity and SCP customers will benefit from the programs they pay into on a monthly basis.

Sonoma Clean Power is the public electricity provider for Sonoma and Mendocino counties. We provide our customers cleaner electricity at competitive rates from sources like solar, wind, geothermal and hydropower, and promote local solutions to climate change. SCP is a not-for-profit public agency, independently run by the participating Cities of Cloverdale, Cotati, Fort Bragg, Petaluma, Point Arena, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Willits, Windsor, and the Counties of Sonoma and Mendocino.

Thank you for your leadership and support in helping California continue on its path to achieving ratepayer equity for all communities. Together we can clean up California's energy grid and bring California one step closer to achieving its transportation electrification and climate goals with the passage of AB 1814.

Sincerely,

Geof Syphers, CEO

cc:	Members of the Assembly Utilities and Energy Committee
The Honorable Tim Grayson
Laura Shybut, Chief Consultant
Republican Consultant

Sonoma Clean Power

431 E Street
Santa Rosa, CA 95404

sonomacleanpower.org

March 9, 2022

The Honorable Cecilia M. Aguiar-Curry, Chair
Assembly Committee on Local Government
1020 N Street, Room 157
Sacramento, CA 95814

Re: AB 1944 (Lee) – Support

Dear Chair Aguiar-Curry:

Sonoma Clean Power (SCP) is pleased to support AB 1944 (Lee) which will allow local agencies the ability to use teleconferencing, if desired, for its open and public meetings. AB 1944 (Lee) further states if a local agency elects to use teleconferencing, it must also provide a video stream accessible to members of the public and an option for members of the public to address the body remotely during the public comment period through an audio-visual or call-in option.

When Governor Newsom issued a State of Emergency and the necessary Executive Orders to keep local governments operating due to the threat of COVID-19 in March of 2020, Sonoma Clean Power immediately activated a teleconferencing process for our monthly board meetings. Executive Order N-29-20 allowed the SCP board members the ability to perform their duties and obligations in order to keep the lights on while providing the public with complete access to the meetings without being left in the dark.

SCP credits Governor Newsom and the Legislature for its forward thinking when California was just entering the pandemic. Without the ability to teleconference our board meetings over the last two years, SCP would not have been able to meet its open and public meeting obligations in a protective manner.

Thank you for your leadership and support of improving and ensuring the Ralph M. Brown Act continues to provide an avenue for the public to participate in open and public meetings by using 21st Century technology. We appreciate your support of AB 1944 (Lee) when it is heard in the Assembly Committee on Local Government.

Sincerely,

Geof Syphers, CEO

cc: Members of the Assembly Committee on Local Government
The Honorable Alex Lee
The Honorable Cristina Garcia

Assemblymember Tim Grayson
AB 1814
Transportation Electrification Funds: Community Choice Aggregators

Summary:
AB 1814 would authorize Community Choice Aggregators (CCAs) to submit applications to the California Public Utilities Commission (CPUC) to receive funding to administer transportation electrification programs in their service areas.

Background:
California has held lofty initiatives of meeting stringent air quality and climate change targets. A major component in meeting these targets are the state's transportation objectives to achieve five million zero-emission vehicles (ZEVs) on the road by 2030[1] and 250,000 electric vehicle charging stations by 2025[2]. These are essential because the transportation sector contributes a large percentage of nitrogen emissions, diesel particulate matter, and statewide greenhouse gas (GHG) emissions.

The CPUC plays a critical role in achieving these emission targets. Under their authority to regulate Investor-Owned Utilities (IOUs), they are directing strategic investments for transportation electrification projects, designing electricity rates, adopting vehicle-grid integration policy and pilot programs, and conducting program evaluation and interagency coordination to ensure strategically coordinated ZEVs investments.[3]

Alternative to IOUs, CCAs are local government entities that supply energy needs for their communities, offering an alternative and tailored choice in the market and serve over 11 million customers in more than 200 cities and counties. CCAs can provide the communities that they serve with competitively priced, clean energy choices while reinvesting revenues into projects and programs, supporting the local economy, such as offering complementary programs such as EV charging and battery storage.

Problem:
The California Energy Commission (CEC) has assessed California's electric vehicle charging infrastructure rollout and determined that the state will be almost 1 million chargers short of what will be required to support the state's 2035 EV adoption goals.

While CPUC authorizes IOUs to file applications to receive ratepayer funded transportation electrification program funding, CCAs are not explicitly authorized in existing law to access these funds, despite CCA customers also paying into these same funds. As a result, local leaders have little ability to tailor electric vehicle infrastructure and programs to serve residents and businesses, particularly in traditionally underrepresented areas.

Solution:
AB 1814 would explicitly authorize CCAs to file applications for programs and investments to accelerate widespread transportation electrification. In order to submit these applications, CCAs would be regulated to meet all of the same requirements that IOUs are currently required to meet.

In order to meet the state's EV adoption goals, CCAs must also be included in the solution. CCAs should be given the opportunity to apply for funding through CPUC for transportation electrification projects as a means of potentially addressing energy needs as identified by specific communities. By creating parity within IOUs and CCAs, the state may be able to meet our GHG emission reduction goals in the transportation sector.

Support:
California Community Choice Association (Sponsor)

Staff Contact:
Samantha Yturralde
Samantha.Yturralde@asm.ca.gov
(916) 319-2014

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[1] https://www.ca.gov/archive/gov39/2018/01/26/governor-brown-takes-action-to-increase-zero-emission-vehicles-fund-new-climate-investments/index.html
[2] https://www.ca.gov/archive/gov39/2012/03/23/news17472/index.html
[3] https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/infrastructure/transportation-electrification

CALCCA ADVANCING LOCAL ENERGY CHOICE

FOR IMMEDIATE RELEASE: March 10, 2022
Contact: Leora Broydo Vestel
(415) 999-4757 | leora@cal-cca.org

California Assemblymember Tim Grayson Introduces Bill to Accelerate Local/Regional Transportation Electrification

AB 1814 taps inherent strengths of Community Choice Aggregators to help California achieve greenhouse gas and pollution reduction goals

Concord, Calif. - California Assemblymember Tim Grayson (D-Concord) has introduced AB 1814, legislation that would allow Community Choice Aggregators (CCAs) to plug into state funding for programs to advance transportation electrification (TE) in California.

AB 1814 recognizes and seeks to accelerate the leading role community choice energy providers play in driving electric vehicle adoption through CCA-funded EV incentive and infrastructure programs. Over the last decade, more than 11 million utility customers in 200+ cities and counties, about a quarter of California's population, have transitioned from Investor-Owned Utility (IOU) electric service to CCAs, local government entities that purchase electricity on behalf of the residents and businesses in their communities.

"California needs to put the pedal to the metal to limit the ravages of climate change," said Assemblymember Grayson. "CCAs already have a track record of innovation in the transportation electrification space. We need to better leverage their unique strengths to put EV adoption on the fast track and meet our climate goals."

What problem does AB 1814 address?
California's transportation sector accounts for about 50 percent of the state's greenhouse gas emissions, nearly 80 percent of nitrogen oxide pollution, and 90 percent of diesel particulate matter pollution. To decarbonize the transportation sector, California has established a goal of putting 5 million zero-emission vehicles on the road by 2030 and a requirement that all new passenger vehicles sold in California be zero-emission by 2035. But the state is behind in installing the more than 1.2 million public and shared chargers that are needed to achieve these objectives.

How is AB 1814 a solution?
CCAs are uniquely positioned to advance charging infrastructure in key areas of the state due to their inherent partnership and direct line of communication with local governments and close community connections.

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applications to the California Public Utilities Commission (CPUC) to receive funding to administer transportation electrification programs in their service areas. As it now stands, both IOU and CCA customers pay fees to the state to fund TE programs, but only IOUs can access those state funds to administer the programs, limiting their reach. CCAs who submit applications to the CPUC would be regulated under the same requirements as IOUs.

"We need all hands on deck to decarbonize transportation in California. CCAs must also be part of the solution," said Beth Vaughan, executive director of the California Community Choice Association (CalCCA), the bill's sponsor. "AB 1814 removes roadblocks to participation by a large and growing segment of California's electricity sector and paves the way for more aggressive climate action."

AB 1814 will have its first hearing in late March or April before the Assembly Utilities and Energy Committee. Add your group to the list of AB 1814 supporters here. Sign up to receive AB 1814 news and updates here.

###

About CalCCA: Launched in 2016, the California Community Choice Association (CalCCA) represents California's community choice electricity providers before the state Legislature and at regulatory agencies. There are currently 23 operational CCA programs in California serving more than 11 million customers. For more information about CalCCA and community choice, visit www.cal-cca.org.

To stay current on CCA in California, sign up for CalCCA's main mailing list here.

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Sonoma Clean Power

Staff Report – Item 07

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

From: **Mike Koszalka, COO**
Rebecca Simonson, Director of Planning & Analytics

Issue: **Recommend that the Board Approve the Proposed Budget Adjustments to the Staff Recommended Adjusted Fiscal Year 2021-2022 Budget**

Date: **March 17, 2022**

Recommended Action

Recommend that the Board of Directors Approve the proposed budget adjustments detailed in Table A of this report to the Fiscal Year 2021-2022 Budget.

Background

SCP commonly brings a mid-year budget adjustment to the Board to account for changes in energy prices, customer participation rates, bank interest rates, and regulatory decisions relating to customer exit fees (PCIA) and utility retail rates. Staff waited an extra month this year to confirm the impact on rates and budget from PG&E's fee and rate changes on March 1st. In response, SCP deferred its annual rate change to April 1, 2022, under the Board's prior authorization. This rate change affects our expected fiscal year-end revenues and the amount of our Operating Account Fund needed for customer bill protection.

Discussion

The proposed budget adjustment is solely for revenues and power costs.

Revenues

Revenues are higher than initially forecast for two reasons.

Although our MWh forecast for customer usage is still right on budget, the rate change to be implemented on April 1st will increase revenues above our original budget. This will cause us to eliminate the monthly net deficit we have been running for several months this fiscal year.

Cost of Energy

The market cost of energy skyrocketed in 2021 and continues in 2022 for many reasons, starting with the Texas ice storm and COVID-19 supply chain issues, and extending through to the current Russian war on Ukraine.

Fiscal Impact

These budget adjustments combined with the requested rate change will result in a small net increase in net position at the end of the fiscal year. We do not anticipate needing to use our Operating Account Fund as the reduction in PCIA has allowed us to move our rates to the point where customer bills are equal to PG&E bundled customer bills.

Because of this, we expect to come back to the BOD in mid to late summer requesting we recognize the $26 million Operating Account Fund as revenue.

Table A

	APPROVED Budget FY 21-22	PROPOSED ADJUSTMENT Budget FY 21-22	Changes from Approved Budget
REVENUES & OTHER SOURCES			
Electricity Sales (net of allowance)	$ 179,277,000	$ 191,599,000	Reflects rates set to provide customers with bills 0% above PG&E bundled rates.
EverGreen Premium (net of allowance)	$ 2,074,000	$ 2,074,000	
Operating Account Fund Inflows	$ 1,353,000	$ -	
CEC Grant Proceeds	$ 2,065,000	$ 2,065,000	
BAAQMD Grant	$ 50,000	$ 50,000	
Interest Income	$ 840,000	$ 840,000	
Total Revenues	$ 185,659,000	$ 196,628,000	
EXPENDITURES			
Product			
Cost of Energy and Scheduling	$ 159,436,000	$ 165,468,936	Updated estimated energy costs due to recent market trends.
Data Management	$ 3,198,000	$ 3,198,000	
Service Fees to PG&E	$ 973,000	$ 973,000	
Personnel	$ 6,200,000	$ 6,200,000	
Outreach and Communications	$ 1,350,000	$ 1,350,000	
Customer Service	$ 363,000	$ 363,000	
General and Administration	$ 1,140,000	$ 1,140,000	
Legal	$ 410,000	$ 410,000	
Regulatory and Compliance	$ 430,000	$ 430,000	
Accounting	$ 245,000	$ 245,000	
Legislative	$ 120,000	$ 120,000	
Other consultants	$ 225,000	$ 225,000	

Table A

	PROPOSED Budget FY 21-22	PROPOSED ADJUSTMENT Budget FY 21-22	Changes from Approved Budget
EXPENDITURES – *continued*			
Industry Memberships and Dues	$ 536,000	$ 536,000	
Program Dev. and Implementation	$ 5,640,000	$ 5,640,000	
CEC Grant Program	$ 4,000,000	$ 4,000,000	
Total Expenditures	$ 184,266,000	$ 190,298,936	
Revenues Less Expenditures	$ 1,393,000	$ 6,329,064	
OTHER USES			
Capital Outlay	$ 1,393,000	$ 1,393,000	
DEBT SERVICE			
Debt Service	$ -		
Total Expenditures, Other Uses	$ 185,659,000	$ 191,691,936	
Net Increase/(Decrease) in Fund Balance	$ -	$ 4,936,064	

Sonoma Clean Power

Staff Report – Item 08

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

From: **Ryan Tracey, Director of Planning & Analytics**
Deb Emerson, Managing Director
Rebecca Simonson, Director of Programs
Geof Syphers, CEO
Mike Koszalka, COO

Issue: **Integrated Resource Plan (IRP) Reintroduction**

Date: **March 17, 2022**

Recommended Actions

No action. Staff will reintroduce the Integrated Resource Planning (IRP) Process to the Community Advisory Committee.

Background

The Integrated Resource Plan (IRP) process is a tool for load serving entities to evaluate long-term portfolio strategies with consideration of financial, environmental, and regulatory impacts. SCP began its own IRP process in 2018 as part of a biannual compliance requirement established for load serving entities within the CPUC's jurisdiction.

SCP has identified value in the IRP process far beyond compliance requirements. This started in 2018 when staff prepared a standalone IRP document outlining issues, data, and goals specific to SCP. Today, IRP has become a core responsibility of the newly formed Planning & Analytics Department and staff is equipped with sophisticated tools, including Ascend's PowerSimm platform, to perform detailed quantitative analysis on the performance of alternative portfolios.

Last year, staff introduced the Committee to staff's ambitions for SCP's next iteration of IRP leveraging new analytical and organizational capabilities. Although staff originally anticipated completing an internal IRP process in 2021, several factors have led to delaying this process to 2022 including market dynamics and accelerated procurement activity for compliance requirements. Staff has used this extra time to develop high competency in Ascend's PowerSimm platform, engage other CCAs on portfolio modeling, engage staff across departments in the IRP process, and identify data sources for hourly emissions evaluation.

With new members joining the Committee, and staff's increased understanding of the analytic capabilities and potential trade-offs in the IRP, staff would like to reintroduce the IRP and seek feedback on strategies and priorities for both programs and supply-side portfolios that will be considered as alternatives to meet SCP's environmental objectives. Staff will plan on returning to the Committee as soon as June 2022 to present a recommendation. SCP's preferred portfolio will be submitted in the CPUC's 2022 IRP compliance filing that is due November 1, 2022.

Discussion

Staff's presentation to reintroduce the Committee to the IRP is attached as Addendum 1 to this report. The Committee and public are encouraged to ask questions and provide feedback following the presentation. Staff has already made progress on implementing feedback from last year's Committee engagement, such as a recommendation to incorporate climate change in impacts to load and supply planning for the IRP.

To help guide discussion, staff will be specifically asking for feedback on the following two areas:

1. How can we improve on priorities and strategies for Program alternatives for meeting SCP's environmental objectives? What other objectives should SCP consider for customer-owned resources or programs?

2. How can we improve on priorities for supply side resources? What other objectives should SCP consider for supply-side resources?

Attachments

- Integrated Resource Plan

Integrated Resource Plan (IRP) Reintroduction

sonomacleanpower.org

Sonoma Clean Power

Sonoma Clean Power is turning the tide on the climate crisis, through bold ideas and practical programs.

1

What is an IRP?

Compliance	Internal IRP	Operations
Conforms to state requirements	Represents SCP's environmental ambitions	Execute to meet commitments of IRP, but does not target perfect alignment
Details plan to meet GHG and reliability targets	Co-optimized for cost, environmental benefit, and risk mitigation	Responsive to evolving market, technology, and regulations
Used to understand entire total system for state	Details relevant to SCP & community	Seek to protect ratepayers while achieving reliability and environmental goals
Biannual: next due on November 1, 2022	More holistic strategy including programs	

2

What is New?

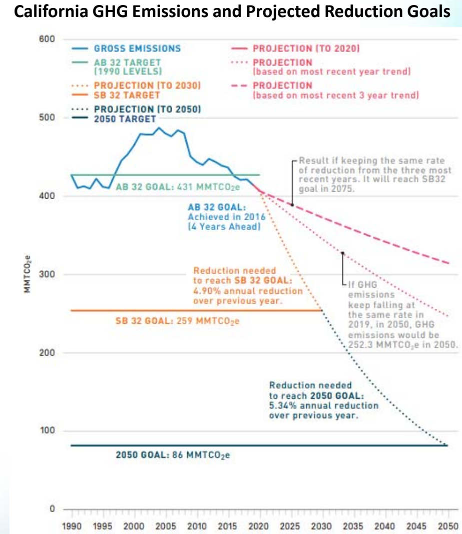
- Ascend PowerSimm
- Preferred System Plan Decision
- Mid-term Reliability Procurement Order
- Energy Market
- Cross-agency IRP Focus

3

Climate Imperative

- California needs a step change in annual emissions mitigations to meet climate goals
  - Recent years at 1.6%/yr, but goals require closer to 5%/yr
    (Note: reduction rate for SB32 goal is approximately aligned with the global reductions required for limiting warming to 1.8ºC in the latest IPCC scenarios)
- Droughts and wildfires increasingly impact local community and further complicate electricity reliability
- Primary objective of founding SCP to give local community agency in reducing emissions

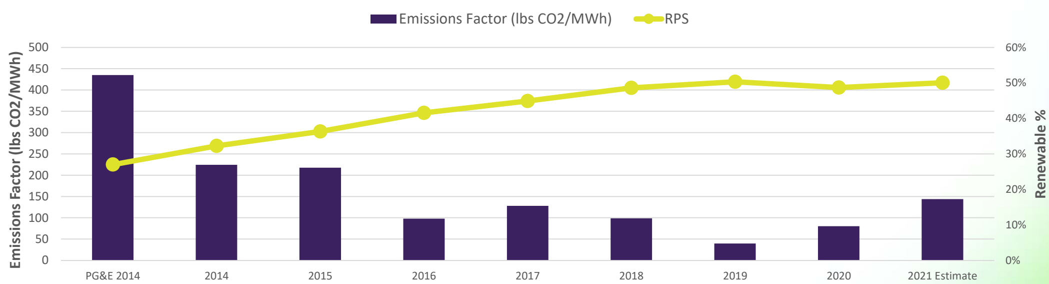
California GHG Emissions and Projected Reduction Goals



Source: Net 10, 2021 13th Edition California Green Innovation Index
https://www.next10.org/sites/default/files/2021-12/2021-GII_Key-Findings_Final.pdf

4

SCP Achievements



EverGreen Service | **Drive EV** | **GridSavvy** | **Advanced Energy Rebuild** | **AEC Opens**

5

Resource Contract Types

Carbon Free vs. **Renewable**

PPA vs. **Short-term**

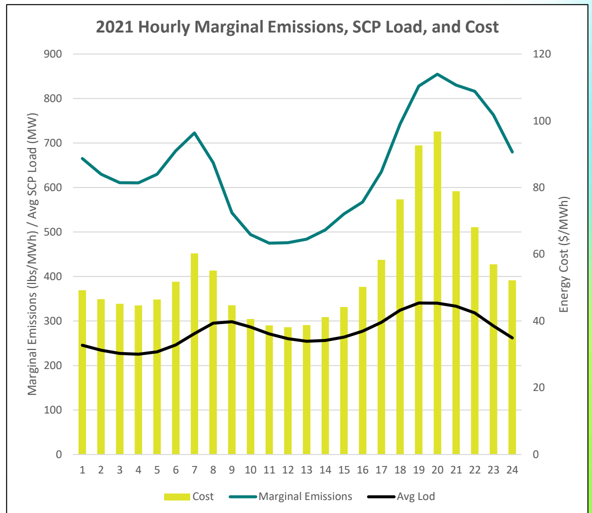
Energy vs. **Capacity**

Grid-supplied Energy

6

Programs

- Achieve absolute emissions reductions: electric vehicles, building decarbonization, “fuel shifting”
  - Increases required size and carbon impact of SCP supply portfolio
- Focus on load flexibility and evening peak: more impact on carbon mitigation, cost, and reliability
- Electrification and load shifting increases value for rooftop solar



7

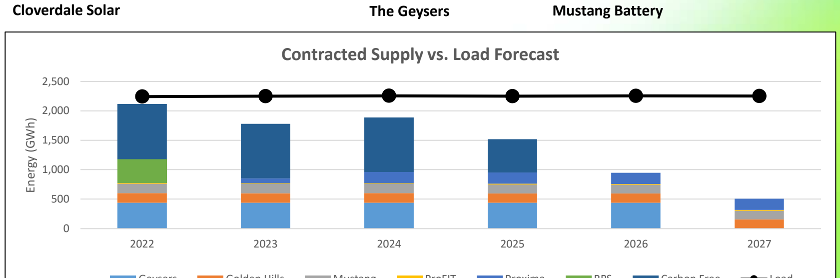
Supply Resources

Cloverdale Solar

The Geysers

Mustang Battery

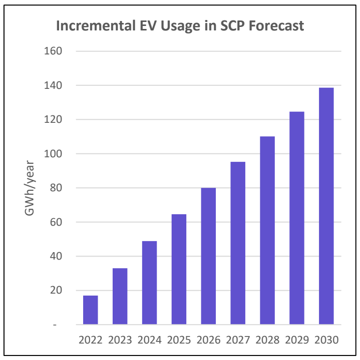
Golden Hills Wind

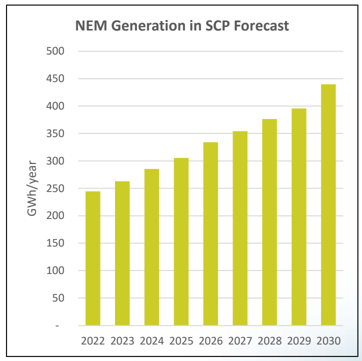


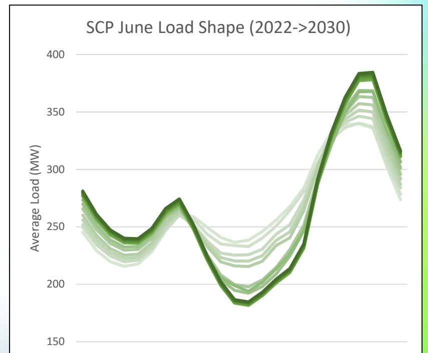
8

Load Forecast

SCP's long-term forecast includes robust growth for EVs, expansion of behind-the meter solar, and climate change—resulting in an evolving hourly profile



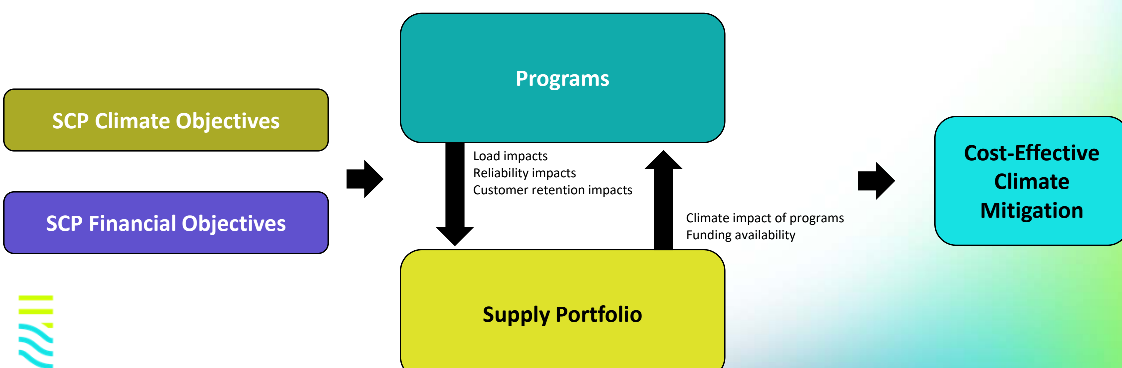




9

Planning Framework

As part of the 2022 IRP, SCP will consider a holistic strategy for meeting climate and financial objectives through customer programs and supply portfolio planning with the objective of maximizing the cost effectiveness of the agency's climate mitigation



10

Program Strategies

With a focus on equity and community needs the following strategies have been identified:

- Load flexibility / dispatch capability
- Transportation and gas-fueled equipment electrification
- Building efficiency and electrification
- Customer-sited renewables/storage
- Demand response and load flexibility/dispatch
- Education
- R&D on new and innovative technologies, processes, and ideas

Key Question for CAC: How can we improve on these priorities and strategies? What other objectives should SCP consider for customer-owned resources or programs?

11

Supply Priorities

In considering supply side portfolios, SCP will maintain the following priorities:

- Compliance
- Improving the match between supply and load
- Resource diversity (technology, location, supplier)
- Financial forecasts (cost/value/risk)
- Local opportunities & innovation (e.g., GeoZone)
- Reliability
- Hourly carbon mitigation

Key Question for CAC: How can we improve on these priorities? What other objectives should SCP consider for supply-side resources?

12

Sonoma Clean Power

Staff Report – Item 09

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

From: **Rebecca Simonson, Director of Programs**
Carolyn Glanton, Programs Manager
Geof Syphers, CEO
Mike Koszalka, COO

Issue: **Review Programs Strategic Action Plan and Provide Feedback as Appropriate**

Date: **March 17, 2022**

Recommended Actions

Review the 2022 Programs Strategic Action Plan and provide comments, feedback, and recommendations to be incorporated into a revised draft that will be presented to the Board of Directors.

Background

In 2017, the Community Advisory Committee (CAC) first provided input on the overarching strategies that should pursued for SCP programs. Working with an appointed CAC ad hoc Committee, SCP published the first Programs Strategic Action Plan ("Plan") in January 2018.

SCP has revised and updated this Plan to adapt to the changes, challenges, and opportunities in 2022. Staff plans for this to be an iterative process, updating the Strategic Action Plan yearly in spring.

In early 2021, SCP presented a draft Programs Equity Framework to the CAC and Board of Directors. After receiving feedback from the CAC and Board, SCP invited public feedback through three virtual meetings and a survey in English and Spanish. SCP incorporated the constructive and valuable feedback into the final document. The final Programs Equity Framework was presented to the CAC in April 2021 and the Board in May 2021.

The Equity Framework outlines inclusive and practical steps for developing and implementing programs. Steps include:

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

Currently the Programs Strategic Action Plan and the Equity Framework are separate documents. Moving forward, SCP will combine them and turn conceptual understanding into real change. This updated Strategic Action Plan is a first step in that change.

Discussion

The Programs Strategic Action Plan is attached as Attachment A to this report.

Notable changes to this document include:

1. Incorporating the Programs Equity Framework steps into the Strategic Action Plan.
2. Removing previous long-term actions that mentioned future SCP proposed programs. Following the Equity Framework, SCP now proposes to engage with the community to establish needs prior to proposing new programs.
3. Reducing the document length nearly in half, from 39 pages to under 20.

4. Listing metrics for each current program we are offering.

5. Reviewing the reading level of the document, targeting a grade 9 reading level to be more accessible to the public.

This document will continue to evolve over time and improve upon the items listed above.

In addition to providing any comment or reaction to the draft plan, Staff seeks specific feedback on the following:

1. How to involve customers and the community.

2. How to develop an equitable approach and participation within customer offerings and incentives.

3. Our proposed approach, including proposed immediate, near-term, and long-term actions.

Fiscal Impact

No fiscal impacts related to this item. Budgeting for programs is accomplished through the annual budget process.

Attachments

- Attachment A – Draft Programs Strategic Action Plan

Strategic Action Plan

Customer Offerings & Incentives Programs

2022

Sonoma Clean Power

1. Sonoma Clean Power

1.1 Power with purpose

Sonoma Clean Power (SCP) serves residents and businesses in Sonoma and Mendocino counties (except for the cities of Healdsburg and Ukiah who have their own municipal utilities). We provide clean electricity from renewable sources such as solar, wind, and geothermal.

Our mission is to turn the tide on the climate crisis through bold ideas and practical programs. Climate change affects everyone, so we design our services to be practical and inclusive. SCP provides incentives so customers can reduce their utility bills and help clean up California's electric grid.

2. About this Strategic Action Plan

SCP developed the Programs Strategic Action Plan for Customer Offerings & Incentives ("Plan") to support our mission to turn the tide on the climate crisis through bold ideas and practical programs.

This Plan outlines the strategies and goals of our current customer programs. This Plan also is the first step in evolving our strategy. To achieve our mission of turning the tide on the climate crisis, our programs must be impactful, scalable, accessible, and enhance our customers' lives. To ensure our programs are driven by the needs of the communities they serve, this Plan involves strategies to involve customers and the community.

This Plan follows the guidance from SCP's Programs Equity Framework, published in 2021, in informing new programs and establishing new goals and metrics. The Equity Framework outlines inclusive and practical steps for developing and implementing programs.

A key step in the Equity Framework is ensuring we involve the community in setting goals and creating new programs. Before we can update our Plan goals, we must engage our customers and our community. Future strategic action plans will reflect this improved strategy and include programs based on community needs.

2.1 Approach

Strategic action planning for customer offerings and incentives should address the needs of our service territory. Here's how we will get there:

2.1.1 Immediate actions

The following actions are either underway or are under development for this calendar year (2022).

1. Continue providing our customers with our current offers and incentive programs.
2. Introduce programs currently in the development stage.
3. Build relationships with community organizations.
4. Engage with our community members to better understand their needs and priorities by:

   - attending public events,
   - hosting education classes,
   - inviting people to the Advanced Energy Center, and
   - inviting comments and feedback through our website.

In early 2022, we surveyed all SCP staff across our Agency departments and roles regarding their perceived success of our programs. The survey responses identified what people care about. While this survey had a narrow focus on SCP staff, it will be used as a reference point in engaging with the community.

The results of the survey were that people are more likely to take part if a program:

- **provides tangible benefits,**
- **is easy to take part in and makes their lives easier,**
- **doesn't have an up-front cost,**
- **provides a clear benefit to the community and the planet,**
- **fits into their lifestyle and housing situation (for example, renting),**
- **supports their self-identification, beliefs, and values,**
- **supports new and trending ideas and technologies,**
- **lines up with the timing of decision points (for example, needing a new car, water heater, etc.), and**
- **helps with the costs of electric vehicles and opportunities to charge them.**

2.1.2 Near-term actions

After completing the immediate actions listed above, we will develop near-term actions to be implemented. These actions will be reflected in next year's update to the Strategic Action Plan. To achieve this, we will:

1. Develop new program strategies and goals with community involvement.
2. Prototype solutions with community organizations to better meet community needs and priorities.
3. Create metrics for all programs, with a plan for tracking success and program impact.
4. Keep listening to identify further needs that we can address through our role as the local electricity provider.

2.1.3 Long-term actions

Using our tracking and metrics plans, SCP will maintain a constant customer feedback loop. This flow of information will be used to improve the reach and impact of current and future programs. SCP will also adjust the offers and incentives, as needed, to target the intended customers and deliver tangible benefits.

2.2 Current program strategies

SCP has developed six program strategies to turn the tide on the climate crisis. SCP integrates equity, inclusion, and funding source development into each of the strategies listed below. The rest of this Plan will focus on the work we are doing on each of these strategies.

- **Electrify transportation and gas-powered equipment**
- **Accelerate building efficiency and electrification**
- **Reduce peak demand and shift energy use away from 4-9PM**
- **Promote customer solar plus battery storage projects to produce energy and support resiliency**
- **Educate and engage customers, residents, youth, and workforce within our community**
- **Foster innovation through research and development**

3. Electrify transportation and gas-powered equipment

Transportation produces most of the air pollution and greenhouse gas emissions in Sonoma and Mendocino counties. Most of these emissions are created by the cars and trucks we drive every day. Replacing our gasoline and diesel cars and trucks with electric vehicles (EVs) will reduce greenhouse gas emissions and air pollution, including smog. EVs are cleaner and produce fewer emissions. They need very little maintenance and can be less expensive to operate than gas cars.

Gas-powered yard and other equipment are another source of greenhouse gas emissions and local air (and noise) pollution. These small gasoline engines produce pollutants that are known to cause lung, heart, and brain health issues. New battery-powered equipment, lawnmowers, and leaf blowers, for example, are quieter, don't pollute, and work as well as conventional equipment.

SCP currently offers programs to promote EV adoption and EV charging infrastructure. SCP also promotes electric and clean mobility solutions, such as electric bikes, as an alternative to cars.

Additionally, we are planning to promote electric yard equipment, in place of gas-powered options.

For future program planning, SCP will engage community organizations to learn more about transportation needs and barriers. SCP will use this information to design future programs to deliver tangible local benefits for all customers.

3.1 Current customer offerings

3.1.1 Free residential electric vehicle chargers

SCP provides customers an up-front discount of 50% on the cost of a Level 2 EV charger. SCP reimburses the remaining cost after the customer installs and activates the charger, ultimately providing an entirely free EV charger (minus installation costs).

- **Over 3,500 free chargers issued to date (through December 2021)**

3.1.2 Non-profit electric vehicle incentives

SCP offers up to a $12,500 reimbursement to non-profits to help them transition from gas-powered vehicles to clean EVs. The reimbursement can be used to purchase or lease an EV or a plug-in hybrid (with a battery range of at least 25 miles).

- **Reimbursements provided to 12 local non-profits (through December 2021)**

3.1.3 Sonoma Coast Incentive Program

SCP partnered with the California Electric Vehicle Infrastructure Program (CALeVIP) in 2020, to provide rebates for EV Level 2 & DC Fast Charger purchase and installation costs. This program promotes public charging infrastructure in the region.

- **21 projects awarded funding (as of January 2022)**
- **32% of funds have been reserved for disadvantaged and low-income communities**

3.1.4 Bike Electric

In 2021, SCP provided income-qualified customers a $1,000 incentive toward the purchase of an electric bike (eBike) to promote the use of ebikes instead of cars for short trips.

- **421 ebike purchases**

3.2 Customer offerings in development

3.2.1 Landscaping Equipment Program

SCP is examining the barriers of replacing gas-powered yard equipment with electric alternatives. SCP plans to develop a pilot program to test and gain feedback on the replacement of gas-powered yard equipment with electric alternatives in three different sizes of landscaping organizations: sole proprietor, medium-scale and large-scale.

3.2.2 Fast Charge for All

SCP is developing a program to provide a special incentive of up to $80,000 for EV fast-charging stations serving coastal and low-income residents. Valid CALeVIP applications that were wait-listed due to high demand for the Sonoma Coast Incentive Project will be eligible if they meet the rural and low-income criteria set for the program.

4. Accelerate building efficiency and electrification

Using fossil fuels in our homes and buildings for heating and cooling, water heating, and cooking is a large source of greenhouse gas emissions. We can replace water heaters, space heating and cooling appliances, and even gas cooking with efficient electric options. These high-performance electric appliances produce far fewer emissions, especially when powered by clean renewable electricity.

Burning fossil fuels in our buildings also creates unhealthy indoor air, potentially contributing to health issues including asthma. Replacing gas appliances with high-performance electric options will improve indoor air quality and reduce the risk of hazards associated with combustion appliances.

SCP currently offers programs to promote both energy efficiency and electrification in new and existing buildings.

SCP has identified an immediate opportunity to support non-profit kitchens in electrifying cooking-related appliances. The non-profit kitchen upgrade program is expected to launch later in 2022.

Building electrification must be pursued equitably, ensuring that environmental and social justice communities are not left behind. SCP will listen to our community and customers to understand barriers to electrifying their homes. SCP will also respond to specific needs, desires, and concerns around electrification and energy efficiency.

4.1 Current customer offerings

4.1.1 Advanced Energy Center

SCP opened the Advanced Energy Center to provide customers with an immersive demonstration area showcasing technologies that they can install to save money and reduce their carbon footprint. The Advanced Energy Center is available in-person and online to provide information on and connect customers with contractors for heating and air conditioning systems, induction cooktops, heat pump water heaters, battery storage, and more. Many different classes are held through the Advanced Energy Center, both in-person and online.

Since June 2020,

- Over 1,380 visitors have experienced the Center

4.1.2 Electrification incentives

To make clean energy solutions more accessible, SCP provides discounts and incentives through the Advanced Energy Center on a variety of technologies, including heat pump space conditioning, heat pump water heaters, heat recovery ventilators, induction cooktops, etc. SCP also provides a set of free cookware for customers who purchase and install an induction cooking appliance.

SCP has provided discounts or incentives for:

- 33 heat pump water heaters
- 22 heat pumps for space heating and cooling
- 8 induction cooktops and 8 sets of free cookware

4.1.3 On-bill financing

To reduce barriers of up-front costs associated with electrification, SCP offers customers 0% on-bill financing up to $10,000 for the purchase and installation of select energy efficiency technologies payable through the utility bill.

- 57 applications
- $135,537 worth of projects

4.1.4 Induction cooktop lending program

To promote induction cooking as an alternative to gas cooking, SCP offers customers a free portable induction cooktop to borrow for up to 2 weeks, along with essential cookware.

- 290 customers have borrowed an induction cooktop as of February 2022

4.1.5 Commercial energy optimization
To reduce energy use and energy costs, as well as to encourage site electrification, SCP is offering no-cost energy audits and electrification studies to qualifying commercial SCP customers. This program launched March 2022.

4.1.6 Advanced Energy Rebuild
To support high-performance and resilient construction, SCP offers developers and homeowners rebuilding from the 2017 Tubbs and Nuns fires technical guidance and up to $17,500 in incentives per home.

- **Over 300 homes completed**
- **$3.1M in total incentives reserved**

4.1.7 Advanced Energy Build
SCP offers developers technical guidance and up to $4,500 per unit to build high-performing and resilient homes in Sonoma and Mendocino County. The program offers increased incentives for low-income homes and multifamily buildings.

- **574 units of housing enrolled, with over 95% being low-income residences**
- **Over $1.5M in incentives reserved as of February 2022**

4.1.8 Multifamily housing electric panel upgrades
To support electrification retrofits of multifamily housing, SCP has partnered with BayREN's Multifamily Program to provide incentives of $500 per in-unit panel upgrade ($750 for income-qualified customers) and $5,000 per central building panel upgrades. This program launched in January 2022.

4.1.9 SCP Electrify
To help customers in the transition to electrification, SCP offers an online tool to help customers discover clean energy opportunities in their home and get valuable, actionable insights on which clean technology is right for them.

4.2 Customer offerings in development

4.2.1 FLEXmarket
SCP has applied for California Public Utility Commission (CPUC) energy efficiency funding to implement an incentive program for energy efficiency projects in existing buildings. If approved, SCP would pay incentives based on time of day avoided energy costs for energy efficiency projects that reduce total energy peak load. This funding and program are aimed at permanent energy reduction and permanently shifting energy use away from peak hours.

4.2.2 Nonprofit kitchen upgrade
To help nonprofits in the transition to electrification, SCP is developing and offering to provide qualifying non-profits with incentives to replace gas cooking ranges with electric induction and replace inefficient dishwashing machines. This offering is planned to be available by the end of 2022.

5. Reduce peak demand and shift energy use away from 4-9PM

In the last decade, more and more solar photovoltaic has been added to the grid. Solar is a clean, renewable energy source, but only generates electricity during the day. Yet, energy demand is the highest in the evening (4-9PM), when people return home and turn on appliances.

The increased need for electricity happens around the time the sun sets and solar production falls. Dirty fossil fuel power plants are used to provide this energy in the evening to address peak demand. Fossil fuel power plants increase air pollution and greenhouse gas emissions, contributing to climate change.

Therefore, it's important to look at when customers use energy, not just how much energy they use. SCP currently offers programs to:

- Reduce energy usage between 4 and 9PM
- Shift energy usage to mid-day and hours where solar and other clean energy is significant

For future planning, SCP will center equity in reducing and shifting energy use between 4PM and 9PM. SCP will listen to our community and customers and identify ways that reducing and shifting energy use can benefit and improve their lives.

5.1 Current customer offerings

5.1.1 GridSavvy Rewards

To help automate reducing and shifting energy use from peak times, SCP offers discounts and incentives to purchase and connect smart devices, such as EV chargers and smart thermostats. These smart devices can receive a remote signal from SCP, automatically adjusting usage while making energy saving easy.

SCP will also be offering a behavioral GridSavvy Rewards offering by the summer of 2022 where customers can receive financial rewards for reducing energy at peak times through any means that works for them. There will be no need for any specific technology or equipment.

- 3,700 free EV chargers provided to customers
- 1,200 EV chargers currently enrolled in demand response
- 90 discounted smart thermostats provided to customers
- 240 smart thermostats are enrolled in demand response

5.2 Customer offerings in development

5.2.1 FLEXmarket

See Section 4.1.10.

6. Promote customer solar plus battery storage project to produce energy and support resiliency

Sonoma and Mendocino counties have felt the effects of climate change contributing to extreme weather and destructive wildfires. To prevent further wildfires caused from power lines, PG&E can turn off power during severe weather. This is called a Public Safety Power Shutoff (PSPS).

Many customers in SCP's service territory have been affected by PSPS events since 2018. To mitigate these disruptions, SCP supports solar plus battery storage projects installed on the customer's side of the electric meter.

Customer solar plush battery storage also plays an integral part of California's clean energy goals and shifting energy use away from 4-9pm (see Section 5).
SCP's current programs:

- **Promote solar installed on the customer's side of the electric meter**
- **Promote battery storage installed on the customer's side of the electric meter**

For future planning, we will engage community organizations to learn more about customer energy production and resiliency needs and barriers. SCP will collaborate with local government agencies.

6.1 Current customer offerings

6.1.1 Self-Generation Incentive Program Assistance

SCP has applied for California Public Utility Commission (CPUC) energy efficiency funding to implement an incentive program for energy efficiency projects in existing buildings. If approved, SCP would pay incentives based on time of day avoided energy costs for energy efficiency projects that reduce total energy peak load. This funding and program are aimed at permanent energy reduction and permanently shifting energy use away from peak hours.

SCP helps customers applying for battery system incentives through the Statewide Self-Generation Incentive Program, also known as SGIP. SCP provides incentive payments in advance and helps participating contractors with the application process.

As of February 2022,

- 150 battery storage installations
- $1.8M of up-front incentives provided

6.1.2 NetGreen+

To incentivize customers to install solar and solar plus battery storage, SCP pays customers who generate more electricity than they use during a billing cycle the retail rate plus a 1¢ bonus per kilowatt-hour (kWh). SCP also pays out double the PG&E incentive if a customer generates more electricity than they use on an annual basis.

- Over 20,000 customers are enrolled in NetGreen+ as of February 2022

6.1.3 Site leasing interest program

To promote local clean power and resilience, SCP is working with several customers who have expressed interest in leasing access to their rooftops and land for solar plus battery storage installations that SCP would purchase energy from. This program is in early stages of implementation.

6.2 Customer offerings in development

None.

7. Educate and engage customers, residents, youth, and workforce within our community

Energy is an important issue, and one that allows everyone to make a difference. By learning how to use less energy, customers can save money. By learning how to live an all-electric lifestyle, customers can reduce their carbon footprint.

California has ambitious goals for building a clean economy. There are industry demands for a workforce with a blend of technical skills and business management abilities. Skills are needed in construction, electrical work, and renewable energy technologies, such as photovoltaic, geothermal, and wind.

SCP's current programs promote public education involving energy efficiency, electrification, and electric vehicles.

For future planning, SCP will listen to our community members and customers. Partnerships are essential to the work that we do. They help us better understand our customers' needs, connect with our community, and respond to issues within our service territory. SCP can be part of the solution by supporting the incredible efforts and services already being led and offered by local organizations, agencies, and community groups.

7.1 Current customer offerings

7.1.1 Advanced Energy Center

See Section 4.1.1.

7.1.2 Do-it-yourself home energy toolkit

To help customers identify quick home upgrades to save energy, water, and money, SCP partnered with local agencies to create the do-it-yourself (DIY) Energy and Water Savings Toolkit. This toolkit can be checked out at a local library branch and comes with a guidebook and tools. Our partners include Sonoma Water, Sonoma Marin Saving Water Partnership, County of Sonoma Energy and Sustainability Division, Sonoma County Library, County of Mendocino, and the Mendocino County Library.

- 1,110 check outs through Sonoma County Libraries
- 110 check outs through Mendocino County Libraries

7.1.3 Energy education in schools

To inspire future energy leaders in Sonoma and Mendocino counties, SCP partners with Sonoma Water to teach K-12 students about electricity, power sources, and climate change. During the 2020/2021 school year,

- 2,100 students participated in over 100 lessons
- 34 schools and 7,600 students participated in virtual musical assemblies
- 13,700 rulers, 19,000 pencils, 4,400 pencil sharpeners, 600 toothbrushes, and 90 Sonoma Clean Power posters were given to students

7.1.4 Switch Lab

To teach students (middle school, high school, and college) the fundamentals of EV design, assembly, manufacturing, and maintenance, SCP partners with the Career Technical Education (CTE) Foundation and the Sonoma County Office of Education. SCP funds kits at select local schools, allowing students an opportunity to assemble a street-legal EV. Kits last up to 5 years and are assembled and dissembled each class.

- 9 Switch Lab EV kits have been distributed to schools throughout Sonoma and Mendocino counties
- Over 1,200 students have participated in the courses

7.1.5 Workforce development

To increase green building industry knowledge, SCP partners with the LIME Foundation's NextGen Trades Academy. The Academy is a program providing diverse vocational construction training and work/life skills to youth. It offers training and helps students find gainful employment in the trades fields, while providing a workforce for local contractors.

- Over 50 students have received green building education between July 2021 and January 2022

7.1.6 10,000 Degrees scholarship

In partnership with 10,000 Degrees, SCP offers scholarships for qualified students pursuing a 4-year college degree in Energy Management and Design, or another related environmental field included within the Geography, Environment, & Planning Department at Sonoma State University.

- Scholarships of $5,000 have been provided

7.1.7 Spirit of Entrepreneurship grant

To foster a strong commitment to environmental stewardship and social equity in the next generation of local business owners, SCP partners with the Santa Rosa Junior College to help students earn start-up funds for their sustainable business ventures. Students enrolled in a certification program compete in a "Pitch Contest" at the end of the semester.

- 6 scholarships for a total of $30,000 have been provided

7.2 Customer offerings in development

None.

8. Foster innovation through research and development

Innovation is needed to make the switch to 100% clean electricity and all-electric living. Embracing new technology, new processes, new behaviors, and new ways of thinking will help meet our goals. SCP will investigate new and potential technologies to reduce greenhouse gas emissions. SCP may pilot new programs and ideas to explore these ideas.

8.1 Current research and development

8.1.1 Investigate vehicle-to-building technology
SCP is investigating potential technologies that allow electric vehicles to provide backup power to buildings. SCP will also monitor Statewide policy on this topic.

8.2 Future planned research and development

To be determined.

9. Next Steps

The current and proposed customer offerings and incentive programs presented in this Plan represent our existing portfolio. As discussed in Section 2, we plan to address the unique needs of our service territory in strategic planning moving forward. Our next steps include the following:

9.1 Immediate actions

We will continue supporting our customers through our current offers and incentive programs. We will engage our community and build relationships with community organizations. Our communities' and customers' needs will better inform our goals.

9.2 Near-term actions

After building trust, we will develop new program strategies and goals with the community. We will ensure that decisions are based on community needs and priorities by partnering with community organizations.

Metrics and surveying program participants are important for assessing how effective our efforts are and how we can improve. SCP will create metrics for all programs and a plan for tracking program success through the established metrics.

9.3 Long-term actions

Using the tracking and metrics plans, SCP will use a constant feedback loop. This will improve the reach and impact of current and future programs. SCP will adjust the offers and incentives as needed to target the people intended and deliver benefits.