



**AGENDA
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, JULY 21, 2022
1:00 P.M.**

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

RE CORONAVIRUS COVID-19

HYBRID MEETING (IN PERSON AND REMOTE ATTENDANCE)

CONSISTENT WITH THE PROVISIONS OF AB 361, MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE MAY PARTICIPATE IN THE JULY 21, 2022, MEETING REMOTELY OR IN PERSON AT THE LOCATION SHOWN BELOW.

**SONOMA CLEAN POWER HEADQUARTERS
431 E STREET
SANTA ROSA, CA 95404**

Remote Participation Webinar and Call-In Details:

- Webinar link: <https://us06web.zoom.us/j/89591222887>
 - Telephone number: 1 (720) 707-2699
 - Meeting ID: 895 9122 2887

How to Submit Public Comment During the Meeting:

The Chair will request public comment during the Public Comment period for all items on the agenda. Comments may be provided in person at the physical meeting location. In addition, comments may be submitted in writing (preferred) to meetings@sonomacleanpower.org. Finally, remote participants may use the webinar's "raise your hand feature" during the meeting to submit comments. For detailed remote 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) 757-9417, 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 June 16, 2022, Draft Community Advisory Committee Meeting Minutes (Staff Recommendation: Approve) **pg. - 5**
2. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. - 11**

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

3. Receive Internal Operations and Monthly Financial Report and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. - 15**
4. Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. - 27**
5. Receive Overview of CPUC-Funded FLEXmarket Program (Staff Recommendation: Receive and File) **pg. - 35**
6. Recommend that the Board of Directors Approve the Scope of Work and Budget for AutoGrid Systems, Inc. to Administer the GridSavvy Rewards Program and Delegate Authority to the CEO to Negotiate Contract Legal Terms, Negotiate Minor Revisions to the Scope of Work Within a Budget Not to Exceed \$1,744,500, and Execute the Professional Service Agreement for a Term Through December 2026. (Staff Recommendation: Approve) **pg. - 39**

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. NEM is a billing mechanism that credits solar energy system owners for the electricity they add to the grid.
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

Page intentionally left blank for double-sided printing



**DRAFT MEETING MINUTES
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, JUNE 16, 2022
1:00 P.M.**

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

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

CONSISTENT WITH THE PROVISIONS OF AB 361 WHICH SUSPENDED CERTAIN REQUIREMENTS OF THE BROWN ACT, MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE PARTICIPATED IN THE JUNE 16, 2022, MEETING BY TELECONFERENCE.

CALL TO ORDER

(1:02 p.m. - Video Time Stamp: 00:02:40)

Chair Quinlan called the meeting to order.

Committee Members present: Chair Quinlan, Vice Chair Morris, and Members Fenichel, Hollinshead, Dowd, Kelly, Wells, Nicholls, 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; Kate Kelly, Director of Public Relations and Marketing; Ryan Tracey, Director of Planning and Analytics; Chad Asay, Director of the Advanced Energy Center; and Hannah Rennie, Energy Market Analyst.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(1:03 p.m. - Video Time Stamp: 00:03:16)

Public Comment: None

COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

(1:04 p.m. - Video Time Stamp: 00:04:44)

1. Approve May 19, 2022, Draft Community Advisory Committee Meeting Minutes
2. Receive Geothermal Opportunity Zone Update

3. Recommend that the Board Approve Additional Budget for the Existing On-Bill Finance Assistance Pilot Program and Delegate Authority to the CEO to Negotiate, Execute, and Amend a Professional Services Agreement for On-Bill Finance Administrator Agreement for a Not-to-Exceed Amount of \$139,643 through June 30, 2023

Public Comment: None

Motion to approve the June 16, 2022, Community Advisory Committee Consent Calendar by Member Nicholls

Second: Member Dowd

Motion passed by roll call vote

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

BOARD OF DIRECTORS REGULAR CALENDAR

4. Receive and Provide Feedback on the Extension of SCP Resolution 2021-05 Permitting Remote Teleconference Meetings of the Board of Directors and Community Advisory Committee Pursuant to AB 361

(1:05 p.m. - Video Time Stamp: 00:05:13)

CEO Geof Syphers stated that SCP's Board of Directors indicated a preference for switching to a hybrid meeting format beginning in July, where members would convene in-person, but a remote attendance option (Zoom) would remain.

Chair Quinlan encouraged hybrid meetings and would attend in-person. He then requested an informal social gathering of the Committee prior to an in-person Committee and warned that there should be no discussions that could lead to Brown Act violations.

Stephanie Reynolds, Director of Internal Operations, added that the Board of Directions will continue to make determinations on whether to renew AB 361, which allows the possibility of holding remote public meetings.

Vice Chair Morris expressed an eagerness to get back to in-person meetings and supported hybrid meetings.

Member Fenichel echoed the comments of Vice Chair Morris but inquired if there was an outdoor option for meetings. CEO Syphers explained that outdoor meetings would not be possible in a hybrid format.

Member Hollinshead liked the hybrid option and will follow whatever rules the Committee applied.

Member Dowd supported in-person meetings but expressed support for hybrid meetings and requested staff stay abreast of the County rules regarding COVID-19.

Members Kelly, Nicholls, Booth and Wells supported in-person meetings with a hybrid component.

Member Lipp supported hybrid meetings and would like the Committee to consider requiring in-person participants to take an at home COVID-19 test prior to the meeting.

1:19 p.m. Public Comment was opened.

Chair Quinlan stated that he would like the Committee to follow whatever rules the Board of Directors decides upon for hybrid meetings.

1:21 p.m. Public Comment was re-opened.

Public Comment: None

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

(1:21 p.m. - Video Time Stamp: 00:21:32)

Director Reynolds announced the 1-year anniversary of the opening of the Advanced Energy Center on June 15, 2022. She gave an update on the 0% financing program and stated there are currently 350 projects to-date. She pointed out the new Flex Market program, a CPUC-funded program which was approved on June 2, 2022 and will be discussed in greater detail at next month's Committee meeting.

CEO Syphers gave a brief Integrated Resource Plan (IRP) update and discussed how the IRP schedule would require modification and need to be pushed back.

Director Reynolds pointed out the GridSavvy postcard in the packet and gave financial updates.

Member Wells asked how people who are not internet savvy are being notified about GridSavvy. Michael Koszalka, Chief Operating Officer, stated that SCP would present on this in the future, but reiterated that SCP is working on ways to include everyone.

Chair Quinlan asked if a 2% response rate on GridSavvy is to be expected, and COO Koszalka responded it was. Chair Quinlan then asked why the August CAC meeting is "to be determined" and Director Reynolds responded that normally the Board does not hold a meeting in September, so the Committee meeting in August is generally skipped. CEO Syphers added that he is generally in Sacramento during those months, but, if necessary, a Committee meeting can be held in August.

Public Comment: None

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

(1:37 p.m. - Video Time Stamp: 00:37:28)

Near Reardon, Director of Regulatory Affairs, gave an update on the status of Net Energy Metering (NEM). He stated that a judge overseeing the case requested that NEM be changed to accommodate a balancing between current NEM customers and those who cannot afford to enter the program.

Member Hollinshead inquired to the rationale behind a flat rate and Director Reardon responded this is in response to the distribution grid.

Member Booth announced that NEM responses are due by the 10th of June and asked if SCP's responses are publicly available. Director Reardon responded yes they are, but SCP chose not to be a signatory on this item.

CEO Syphers gave a Legislative update. He announced AB 2316 (Ward) regarding community renewables and pathway renewables for low-income housing had been edited making it worse, so the stance of CalCCA on the bill had been changed to "oppose unless amended." He mentioned that SB 1020 (Laird, Atkins, Caballero, Durazo) is in a good position to pass.

Member Lipp asked for the status on SB 833 (Dodd). CEO Syphers responded the bill is on track to pass with no opposition.

Public Comment: None

7. Receive Presentation on Brand Awareness Survey Findings

(1:56 p.m. - Video Time Stamp: 00:56:33)

Kate Kelly, Director of Public Relations and Marketing introduced Harry Hiner from Hiner & Partners, Inc. to give a presentation on focus group research regarding SCP's brand awareness.

Mr. Hiner stated that SCP has achieved 40% unaided brand awareness, and he said this level is unprecedented. He stated the survey was sent from the Regional Climate Protection Authority (RCPA) and the totals were very similar across the counties in SCP's service territory. He also said that there was brand awareness among all ages. He said there was little change needed to SCP's brand awareness but recommended focusing on messaging to younger, Hispanic, and multi-use building groups.

Vice Chair Morris recommended that SCP focus messaging on those who answered "not sure" or "don't know" to the survey questions. Director Kelly responded that this is the first survey and there will be more to come.

Public Comment: None

8. Receive Power Procurement Update

(2:21 p.m. - Video Time Stamp: 01:21:26)

CEO Geof Syphers introduced 3 new power supply procurements to the Board; the Fish Lake Project and the Ormat Portfolio Project. He said the Fish Lake Project will be operational in 2024 and the projects are both 20-year fixed price contracts.

Hannah Rennie, Energy Market Analyst, discussed the Tubbs Island Storage and Solar Project which will be operational on May 30, 2024, and will be a 20-year fixed price contract. She added that this is an EverGreen project and will be located near Sonoma Raceway.

Chair Quinlan asked what the scope of the Tubbs Island project was. Ms. Rennie answered that it is around 32 MWh. CEO Syphers added that this is the first storage project added to the EverGreen portfolio.

Vice Chair Morris brought the Committee's attention to an article in the New Yorker entitled "Potential Energy" regarding battery storage.

Member Hollinshead stated that the geothermal projects seem to represent 4-5% of current power consumption and there is a need to triple those amounts

to tackle decarbonization. CEO Syphers suggested that Committee members follow the GeoZone progress. COO Koszalka added that the IRP will lay out the capacity needed.

Member Dowd discussed water shortages in our area and stated that Sonoma Water hired a consultant to increase water supply. He further stated that geothermal uses a lot of water and that he believes SCP should be aware of the recommendations and be engaged. CEO Syphers agreed and requested an introduction.

Member Kelly asked why access to the grid is needed from Nevada. CEO Syphers responded that there are a lot of studies that go into the grid design.

Member Lipp inquired why there was a range in the potential capacity on the contract. CEO Syphers explained because the energy is dependent on the heat of the resource.

Public Comment: None

COMMITTEE MEMBER ANNOUNCEMENTS

(3:00 p.m. - Video Time Stamp: 02:00:36)

None

ADJOURN

(3:01 p.m. - Video Time Stamp: 02:00:55)

The meeting was adjourned by unanimous consent.



Staff Report - Item 02

To: Sonoma Clean Power Authority Community Advisory Committee
From: Ryan Tracey, Director of Planning & Analytics
Geof Syphers, Chief Executive Officer
Issue: Receive Geothermal Opportunity Zone Update
Date: July 21, 2022

Background

The Geothermal Opportunity Zone (GeoZone) was established by the SCP Board of Directors and the Boards of Supervisors in Sonoma and Mendocino Counties to explore expanding local geothermal power capacity. The purpose of the GeoZone is to develop the resources necessary to allow SCP to stop relying on natural gas power plants altogether. To that end, the GeoZone is seeking to sustain existing local geothermal production and add 500 MW of new geothermal capacity.

Given the activity in the GeoZone initiative, staff is now including regular updates in Board and Committee packets and will also continue to provide updated information and materials at <https://sonomacleanpower.org/geozone>.

Public-Private Solicitation

Staff are focused on the formation of a public-private partnership with geothermal companies to provide technology, experience, and capital. Following the close of a solicitation on April 29, a multi-discipline team including staff and experts in geology, air quality, water, geothermal development, business, and engineering have completed a detailed review of proposals. A subsequent round of interviews offered the evaluation team the opportunity to ask detailed questions to ascertain technical and financial viability.

Ultimately, the evaluation team recommended three finalists to proceed to a final stakeholder engagement round. The three finalists participating in the stakeholder engagement round include the following proposals:

- **Eavor Technologies** - A Canadian geothermal technology company proposes to use its Advanced Closed Loop (ACL) Eavor Loop technology in the

GeoZone. Eavor Loop involves drilling and connecting two deep multilateral wellbores to circulate fluid through deep granitic base rock. The fluid flows through a heat exchanger at surface connected to a binary power cycle that is also closed-loop with no operational emissions. Eavor's technology can target areas without permeability or water as long as heat and rock conductivity are present.

- **Chevron New Energies** - A subsidiary of Chevron proposes to develop 500-700 MW of new geothermal capacity through a staged development plan including exploration wells, pilots, conventional geothermal projects, and Enhanced Geothermal Systems (EGS) and Advanced Closed Loop (ACL) development. Chevron New Energies plans to deploy its subsurface modeling expertise, well factory approach to cost reductions, financing capability, and California operating experience to achieve GeoZone objectives.
- **Cyrq Energy** - An established geothermal operator and development company in the Western US proposes to deploy thermal storage technology at existing or new geothermal resources at the Geysers. Thermal storage is heated from electric power during hours when the grid has significant solar production, and then the storage is dispatched to superheat the steam of geothermal plants to run the turbines more efficiently and reshape power supply to better match hourly market demand—improving the financial viability and flexibility of geothermal power.

Stakeholder Engagement

The three finalists participated in a stakeholder engagement event SCP hosted on June 28. SCP invited a group representing labor, environment, environmental justice, and local government to meet the potential private partners and provide early pre-project input into our community values. SCP staff also hosted a virtual recap the following week for those unable to attend the in-person event.

Presentation material and a detailed summary of the stakeholder engagement event are posted on the GeoZone webpage at <https://sonomacleanpower.org/geozone>. Stakeholders provided input on a variety of topics including water usage, permitting considerations, and involvement of local labor.

The results of the stakeholder event will inform staff's recommendation for a GeoZone partnership, which will be brought for recommendation to the Community Advisory Committee and Board of Directors later this summer. SCP will then enter negotiations in forming a partnership agreement that will establish expectations for

SCP's power offtake and the shared contributions in pursuing GeoZone development.

Page intentionally left blank for double-sided printing



Staff Report - Item 03

To: Sonoma Clean Power Authority Community Advisory Committee

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

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

Date: July 21, 2022

NEW CUSTOMER RATES

New rates were adopted on July 1, 2022, to ensure all Sonoma Clean Power (SCP) customers are at or below PG&E's June 1, 2022, generation rates (including fees). The change was made in consultation with the Chair and Vice Chair of the Board of Directors under the CEO's authority to make temporary rate changes. The Board of Directors ratified the new rates on July 7, 2022.

SCP previously changed rates on April 1, 2022, to match bundled service bills based on PG&E's rates that took effect on March 1, 2022. PG&E then updated rates again on June 1, 2022, resulting in an increase in some rates and a decrease in others. SCP lowered rates on July 1, 2022, to match PG&E for any rates that decreased. SCP did not increase any rates, and as a result SCP is now the same or lower than PG&E on a total bill basis for all customers.

The rate reduction is expected to decrease FY2022-23 revenue by approximately \$1.5M or 0.6% of budgeted electricity sales.

INTEGRATED RESOURCE PLAN UPDATE

Staff continues to make progress towards developing a preferred portfolio through the Integrated Resource Plan process. We expect to present the results of the 2022 Integrated Resource Plan to the Committee in September. Following last month's update, staff has completed the following additional activities:

- SCP's load forecast through 2040 has been finalized and incorporates the results of a cross-agency discussion on electrification targets.
- After proving the capability to optimize portfolios for deterministic scenarios, staff has started stochastic modeling involving large numbers of simulations of weather and gas prices to calibrate market uncertainty and risk. In response to feedback from the CAC last year, staff has also incorporated a climate change parameter in its forward modeling to reflect both increased temperatures and weather variability.
- Preliminary portfolios and candidate resources were shared in a workshop involving Planning & Analytics, Procurement, and the COO and CEO. Feedback from the workshop will be incorporated into the creation of SCP's final portfolio.
- Dispatchable geothermal resources have been added as candidate resources based on proposals in the GeoZone initiative.
- Staff has begun testing and vetting the templates and calculation tools released by the CPUC for the 2022 IRP.

MONTHLY COMPILED FINANCIAL STATEMENTS

The year-to-date change in net position is slightly better than projections. Revenue from electricity sales is under budget projections by approximately 2%, and cost of energy is over by approximately 1%. Year-to-date electricity sales reached \$168,699,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$99,512,000. In addition to Net Position, SCP maintains an Operating Account Fund of \$26,000,000 at the end of the period. Approximately \$63,511,000 is set aside for operating reserves.

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

BUDGETARY COMPARISON SCHEDULE

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

The budget is formatted to make comparisons for both the annual and the year-to-date perspective. The first column, 2021/22 YTD Budget, allocates the Board

approved annual budget at expected levels throughout the year with consideration for the timing of additional customers, usage volumes, staffing needs etc.

The cost of electricity is more than the budget-to-date by approximately 1%. Variation in this account is typically due to fluctuating 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

- May 2022 Financials

UPCOMING MEETINGS

- Board of Directors - August 4, 2022



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 May 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
June 29, 2022

**SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Eleven Months Ended May 31, 2022**

	2021/22 YTD			2021/22 YTD Actual / Amended Budget %	2021/22 Amended Budget	2021/22 Amended Budget Remaining
	2021/22 YTD Amended Budget	2021/22 YTD Actual	2021/22 YTD Variance (Under) Over			
REVENUE AND OTHER SOURCES:						
Electricity (net of allowance) *	\$ 169,181,204	\$ 166,581,188	\$ (2,600,016)	98%	\$ 191,599,000	\$ 25,017,812
Evergreen Premium (net of allowance)	1,906,303	2,117,703	211,400	111%	2,074,000	(43,703)
Inflow from Operating Account Fund Reserves	-	-	-	0%	-	-
CEC Grant	1,892,917	895,797	(997,120)	47%	2,065,000	1,169,203
BAAQMD grant	45,833	(15,575)	(61,408)	-34%	50,000	65,575
Interest income	770,000	307,055	(462,945)	40%	840,000	532,945
Total revenue and other sources	<u>173,796,257</u>	<u>169,886,168</u>	<u>(3,910,089)</u>	<u>98%</u>	<u>196,628,000</u>	<u>26,741,832</u>
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	151,141,674	152,229,180	1,087,506	101%	165,468,936	13,239,756
Data management	2,931,455	2,844,589	(86,866)	97%	3,198,000	353,411
Service fees- PG&E	891,878	893,006	1,128	100%	973,000	79,994
Personnel	5,683,333	5,187,495	(495,838)	91%	6,200,000	1,012,505
Outreach and communications	1,237,500	888,555	(348,945)	72%	1,350,000	461,445
Customer service	332,750	339,303	6,553	102%	363,000	23,697
General and administration	1,045,000	1,112,573	67,573	106%	1,140,000	27,427
Legal	375,833	247,637	(128,196)	66%	410,000	162,363
Regulatory and compliance	394,167	246,255	(147,912)	62%	430,000	183,745
Accounting	229,583	209,820	(19,763)	91%	245,000	35,180
Legislative	110,000	40,000	(70,000)	36%	120,000	80,000
Other consultants	206,250	213,741	7,491	104%	225,000	11,259
Industry memberships and dues	491,333	440,577	(50,756)	90%	536,000	95,423
Program implementation	5,170,000	2,522,176	(2,647,824)	49%	5,640,000	3,117,824
Program - CEC grant	3,666,667	1,210,570	(2,456,097)	33%	4,000,000	2,789,430
Total current expenditures	<u>173,907,423</u>	<u>168,625,477</u>	<u>(5,281,946)</u>	<u>97%</u>	<u>190,298,936</u>	<u>21,673,459</u>
OTHER USES						
Capital outlay	1,276,917	991,418	(285,499)	78%	1,393,000	401,582
Total Expenditures, Other Uses and Debt Service	<u>175,184,340</u>	<u>169,616,895</u>	<u>(5,567,445)</u>	<u>97%</u>	<u>191,691,936</u>	<u>22,075,041</u>
Net increase (decrease) in available fund balance	<u>\$ (1,388,083)</u>	<u>\$ 269,273</u>	<u>\$ 1,657,356</u>		<u>\$ 4,936,064</u>	<u>\$ 4,666,791</u>
<i>* Represents sales of approximately 2,058,000 MWh for 2021/22 YTD actual.</i>						
RESERVES	Current Balance	% of Long-Term Term Target	Long-Term Target Balance			
Operating Reserve (as of June 30, 2021)	\$ 63,511,000	44%	\$ 145,983,000			

SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
Eleven Months Ended May 31, 2022

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 269,273
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(1,258,577)
Add back capital asset acquisitions	1,013,317
Add back certain program expenses recognized for budget purposes only	<u>(200,000)</u>
Change in net position	<u><u>\$ (175,987)</u></u>



ACCOUNTANTS' COMPILATION REPORT

Management
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of May 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
June 29, 2022

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of May 31, 2022

ASSETS

Current assets	
Cash and cash equivalents	\$ 51,494,065
Accounts receivable, net of allowance	22,418,038
Other receivables	984,288
Accrued revenue	11,052,939
Prepaid expenses	2,044,827
Deposits	4,503,531
Total current assets	<u>92,497,688</u>
Noncurrent assets	
Unrestricted cash in Rate Stabilization Fund	26,000,000
Land	860,520
Capital assets, net of depreciation	18,789,846
Deposits	846,256
Total noncurrent assets	<u>46,496,622</u>
Total assets	<u>138,994,310</u>

LIABILITIES

Current liabilities	
Accrued cost of electricity	10,653,196
Accounts payable	1,023,577
Other accrued liabilities	1,255,995
User taxes and energy surcharges due to other governments	549,316
Total current liabilities	<u>13,482,084</u>

DEFERRED INFLOWS OF RESOURCES

Rate Stabilization Fund	<u>26,000,000</u>
-------------------------	-------------------

NET POSITION

Investment in capital assets	19,650,366
Unrestricted	79,861,860
Total net position	<u>\$ 99,512,226</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Eleven Months Ended May 31, 2022

OPERATING REVENUES

Electricity sales, net	\$ 163,099,195
Evergreen electricity premium	2,117,703
Grant revenue	4,362,215
Total operating revenues	169,579,113

OPERATING EXPENSES

Cost of electricity	152,229,180
Contract services	8,468,899
Staff compensation	5,187,495
General and administration	1,708,759
Program rebates and incentives	1,209,245
Depreciation	1,258,577
Total operating expenses	170,062,155
Operating income (loss)	(483,042)

NONOPERATING REVENUES (EXPENSES)

Interest income	307,055
Nonoperating revenues (expenses), net	307,055

CHANGE IN NET POSITION

	(175,987)
Net position at beginning of period	99,688,213
Net position at end of period	\$ 99,512,226

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS Eleven Months Ended May 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 161,700,269
Other operating receipts	14,070,902
Payments to electricity suppliers	(160,151,095)
Payments for other goods and services	(10,537,085)
Payments for staff compensation	(5,119,740)
Tax and surcharge payments to other governments	(2,171,426)
Payments for program rebates and incentives	(2,261,420)
Net cash provided (used) by operating activities	<u>(4,469,595)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(3,455,273)</u>
------------------------------------	--------------------

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>322,569</u>
Net cash provided (used) by investing activities	<u>322,569</u>

Net change in cash and cash equivalents	(7,602,299)
Cash and cash equivalents at beginning of year	<u>85,096,364</u>
Cash and cash equivalents at end of period	<u>\$ 77,494,065</u>

Reconciliation to the Statement of Net Position

Unrestricted cash and cash equivalents (current)	\$ 51,494,065
Unrestricted cash and cash equivalents (noncurrent)	<u>26,000,000</u>
Cash and cash equivalents	<u>\$ 77,494,065</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF CASH FLOWS (continued)
Eleven Months Ended May 31, 2022

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

Operating income (loss)	\$ (483,042)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	1,258,577
Revenue adjusted for provision for uncollectible accounts	(121,390)
(Increase) decrease in:	
Accounts receivable	(3,521,519)
Other receivables	543,156
Accrued revenue	(2,074,335)
Prepaid expenses	(934,485)
Deposits	4,604,051
Increase (decrease) in:	
Accrued cost of electricity	(1,422,048)
Accounts payable	(551,034)
Accrued liabilities	(1,963,514)
User taxes due to other governments	29,188
Supplier security deposits	166,800
Net cash provided (used) by operating activities	<u>\$ (4,469,595)</u>

Page intentionally left blank for double-sided printing



Staff Report - Item 04

To: Sonoma Clean Power Authority Community Advisory Committee

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

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

Date: July 21, 2022

Requested Action

Receive legislative and regulatory updates and provide feedback as appropriate.

Regulatory Updates

PG&E General Rate Case Litigation Underway

Sonoma Clean Power staff, working with a coalition of Northern California CCAs, recently submitted testimony on a variety of proposed customer charges in PG&E's General Rate Case for the triennial period beginning 2023. In their initial Application, the utility requested that the California Public Utilities Commission approve a 2023 gas distribution, transmission and storage, electric distribution, and electric generation base revenue requirements of \$15.46 billion, an increase of \$3.56 billion over the 2022 adopted revenue requirements. PG&E is seeking an increase in rates and charges effective January 1, 2023

General Rate Cases govern the rate changes - and corresponding shareholder profits - utilities are permitted to generate. Assets the utility owns, such as distribution lines or generators, generate profits so long as these assets are determined to be used and useful. In addition, the statute requires that utilities must demonstrate that any costs they recoup from CCA customers were made on behalf of those customers. As a general measure, transmission and distribution costs are charged to all customers, while electricity generation costs are charged to customers who receive the electricity.

Testimony submitted to the assigned Judge highlights multiple instances where PG&E's Application would hoist costs onto CCA customers that are not being made on their behalf. These include proposed upgrades to the Gateway natural gas generation station, extending the operating life of 9 hydroelectric facilities, and categorizing a new battery storage project as a distribution asset to be paid for by all customers.

Rebuttal testimony from PG&E, followed by evidentiary hearings and subsequent briefs will take place through this Summer and Fall. The Judge intends to issue a proposed decision adopting rate changes in the 4th quarter of the year, for implementation January 1, 2023. SCP staff will remain deeply engaged to advocate for close oversight of utility costs and shareholder responsibility for poor investments.

Supreme Court Removes EPA's Authority to Regulate GHGs

On June 30, the U.S. Supreme Court ruled that the EPA does not have authority to regulate greenhouse gas emissions from power plants, essentially gutting the Clean Air Act. Justice Roberts asserted that Congress must specifically provide the EPA with authority to regulate greenhouse gas emissions, and that the Clean Air Act itself does not provide that power to the EPA. The full repercussions of this decision are not yet clear to staff, but it is fair to predict that many kinds of regulations on coal and fossil methane power plants will be lifted, harming climate progress.

Legislative Update

The California legislature passed its budget and is working to pass a number of junior budgets to clarify the details, including SB 122 the omnibus energy bill. SB 122 is far-reaching, and mostly contains positive elements to support grid reliability, transmission and renewable projects, and financial help for people unable to pay their bills early in the pandemic. However, the bill also contains a seriously problematic order for the Department of Water Resources to build new fossil gas-fired power plants, new diesel generators and extend the life of existing older fossil gas-fired power plants. The better parts of the bill include:

- Adds \$1.2B in debt relief for residential customers who couldn't pay power or water bills in 2020 or 2021.
- Orders the CEC to create a program for providing incentives for long-duration storage of virtually any technology type *except* pumped hydro and lithium ion batteries.
- Orders the CEC to fund incremental capacity additions from existing renewable power sources, which may be supportive of SCP's GeoZone efforts.

- Orders CEC to create the Distributed Electricity Backup Assets Program to incentivize more dispatchable resources, including (but not limited to) fuel cells and batteries. It unclear if fossil methane gas is allowed for such fuel cells.
- Orders the CEC to create a Demand-Side Grid Support Program for load shedding, which could help other regions adopt programs similar to SCP's GridSavvy.
- Creates three different levels of customer subsidy based on income, which modifies the existing CARE program starting in July 2024.
- Orders the CEC to quickly study summer reliability through 2026 and report back on critical actions by January 2023.

Bill	Author	Summary	Position
AB 1814 Transportation electrification: community choice aggregators	Grayson	Withdrawn - Bill would have accelerated local and regional transportation electrification by allowing CCAs to apply for CPUC funding for electric vehicle infrastructure. Sponsor was CalCCA.	Support Bill withdrawn by Author
AB 1944 Local government: open and public meetings	Lee	Facilitates the continued use of teleconference meetings for local governments, including SCP.	Support
AB 2061 Transportation electrification: electric vehicle charging infrastructure	Ting	Requires data collection of EV chargers to monitor reliability. This bill would require EV charging companies to report the days when their equipment is not functioning, and could lead to future legislation requiring more timely repair of charging equipment.	Support Action by Chair and Vice Chair
AB 2316 Community Renewable Energy Program	Ward	Creates the Community Renewable Energy Program to provide an IOU pathway for solar for communities that have not benefited from current rooftop solar initiatives. Not likely to produce any results, however, because IOUs are attempting to cancel their local solar programs (see AB 2838)	Watch

Bill	Author	Summary	Position
AB 2399 Electrical services: provider of last resort	Mayes	Removes the cap on direct access for for-profit energy service providers in situations where an IOU chooses to stop being the Provider of Last Resort. Sponsored by SDG&E, presumably because the IOU wishes to find a way to create a direct access company to serve the most profitable electric customers and get out of serving residential customers. The bill would cause a large cost shift onto residential and small business customers if it were to pass.	Dead
AB 2696 Electricity: renewable energy and zero-carbon resources: transmission planning	E. Garcia	Would require the CEC to study how to lower the cost of new transmission needed for new renewable energy systems. However, would also remove the requirement for reviewing the necessity and cost for new transmission projects.	Watch
AB 2703 Zero-emission fueling station reliability standards	Muratsuchi	Studies the reliability of ZEV refueling stations.	Watch
AB 2838 Electrical corporations: green tariff shared renewables program	O'Donnell	Allows an IOU to terminate a green tariff shared renewables (GTSR) program. SCP successfully lobbied against a provision that would have allowed the costs of cancelling an IOU 100% renewables program to other customers who were never enrolled in the program.	Neutral SCP formerly opposed the bill, but with June 23 edits removed opposition.
AB 2937 Electrical corporations: wildfire mitigation and climate adaptation expenditures	Calderon	Allows IOUs to securitize costs for wildfire and climate adaptation investments and spread those costs across all customers over longer time periods. It is unusual to defer charging ratepayers for operations and maintenance, and staff are exploring the potential consequences for ratepayers.	Watch
ACR 188 CAISO Regionalization Study	Holden	The proposed resolution would ask the California Independent System Operator to issue a study summarizing the impacts of expanding regional cooperation with Colorado and Nevada on California's climate goals.	Watch

Bill	Author	Summary	Position
SB 833 Community Energy Resilience Act	Dodd	Creates grants for regional resiliency planning, including for PSPS events. Prioritizes low-income, disadvantaged and PSPS-affected communities.	Support Action by Chair and Vice Chair
SB 839 Electricity: demand response	Dodd	Demand response bill that allows all customers (including CCA customers) to participate in an IOU load management program. Possible concern is that it could prevent CCAs from managing their own load and forecasting accurately, which in turn would increase ratepayer costs.	Watch
SB 852 Climate resilience districts	Dodd	Allows local governments to form Climate Resilience Districts to raise and allocate funds for capital projects addressing climate mitigation and/or adaptation. Specifically recognizes the Sonoma County Regional Climate Protection Authority as a Climate Resilience District.	Support
SB 881 Load-serving entities: integrated resource plans	Min	Dead. CalCCA successfully killed this bill that would have created new powers for the CPUC to order specific resource procurement for individual CCAs, thus taking away each CCA Board's powers of procurement. This was a major victory in sustaining our ability to accelerate solutions to the climate crisis, especially when considering that the CPUC's own Reference System Plan has higher greenhouse gas emissions than SCP's existing portfolio.	Oppose Action by Chair and Vice Chair BILL IS DEAD
SB 884 Electricity: expedited utility distribution and transmission infrastructure undergrounding program	McGuire	Would require accelerated distribution line undergrounding plans, defer IOU profits from that work until 5 years have passed with no PSPS events or utility fires, and require cooperation from telecom companies using the affected power poles.	Support
SB 887 Electricity: transmission facility planning	Becker	Orders the CPUC to identify the critical new transmission systems needed to rapidly expand renewable energy in the CAISO system through 2035. Includes requirements to study wildfire impacts.	Watch

Bill	Author	Summary	Position
SB 1020 Clean Energy, Jobs and Energy Affordability Act of 2022	Laird, Atkins, Caballero, Durazo	Creates interim climate goals for 2035 and 2040 in the electric power sector as well as forms a new state organization to disburse state and federal funding relating to mitigating high energy costs for low-income and disadvantaged communities. SCP supports the bill, but shared an improvement that should be made to allow State agencies to buy 100% renewable power from existing services like EverGreen, and avoid requiring creating entirely new services just for State agencies.	Support Board delegated authority to staff to take a position when valuable
SB 1112 Energy suppliers: notice and recordation of a decarbonization charge.	Becker	Supports on-bill financing for building decarbonization investments through creating a deed notification requirement.	Support Action by Chair and Vice Chair
SB 1158 Retail electricity suppliers: greenhouse gas emissions: integrated resource plans	Becker	Would change reporting requirements for GHG emissions to a 24/7 structure. Author closely engaged with SCP and has addressed all of SCP's important concerns, mostly around ensuring battery storage is properly reported.	Support Previously opposed unless amended
SB 1174 Electricity: resource adequacy requirements: eligible renewable energy or energy storage resources: transmission and interconnection	Hertzberg	The bill originally would have provided waivers for situations where interconnection delays cause deficiencies in resource adequacy compliance. However, SDG&E asked the Chair of the policy committee to remove the RA waiver, and the Author did. It is unclear to staff how the bill still has a purpose, so staff are watching for further changes. Sponsor is American Clean Power Association.	Watch
SB 1230 Zero-emission and near-zero emission vehicle incentive programs: requirements.	Limón	Would make changes to how EV incentives are accessed.	Watch

Bill	Author	Summary	Position
SB 1287 Electric service providers and community choice aggregators: financial security requirements.	Bradford	Bill is dead. Increases financial security requirements for CCAs to protect IOUs from absorbing CCAs customers in adverse market conditions. In its current form, the bill could prevent new CCAs from forming and increase ratepayer costs for all CCAs. SCP is advocating for some reasonable parts of the bill, such as increasing the minimum bond posting from \$147,000 to \$500,000 and eliminating language that would have allowed CCA bonds to be virtually unlimited and in the billions.	n/a
SB 1328 Prohibited investments and contracts: Russia and Belarus.	McGuire	Prohibits California State investments in Russia and Belarus in response to Russia's war on Ukraine.	Support Action by staff in response to guidance by Board
SB 1340 Property taxation: new construction: active solar energy systems and nonqualified active solar energy systems.	Hertzberg	Would extend the deferral of property tax reassessments for commercial properties having solar arrays.	Watch
SB 1385 Electricity: multifamily housing local solar program.	Cortese	Would require IOUs to construct utility-owned solar arrays on or near multifamily housing. Potential significant concerns if this removed customers from CCA service without significant customer and climate benefits. Notably, the bill does not require systems to offset greenhouse gas emissions.	Watch
SB 1376 State Energy RCDC: strategic plan: zero-carbon resources.	Stern	Strategic plan to connect 6,000 MW of new renewable power per year to California's transmission system starting in 2025.	Watch

Bill	Author	Summary	Position
SB 1393 Energy: appliances: local requirements	Archuleta	Would create a new requirement for cities and counties wishing to phase out natural gas in new construction to submit plans to the California Energy Commission. Originally, the bill would have significantly increased legal risks to cities adopting reach codes to phase out dependency on fossil methane gas, however the author recently took amendments from CSAC to convert the bill to relatively meaningless language in which the CEC is able to provide "technical support" to cities passing reach codes. As such, SCP has withdrawn its original opposition.	Neutral
SB 1432 Electricity: resource adequacy requirements: electric service providers.	Hueso	Affects how generating resources used to provide resource adequacy are selected or approved and how costs of backstop procurement are allocated.	Watch
SCR 53 Climate change	McGuire	Resolution declaring the global climate crisis	Support Action by staff

Attachments

- Letter supporting NBNCBC, available at [this link](#) or by request to the Clerk of the Board
- Letter opposing SB 1136 (Portantino), available at [this link](#) or by request to the Clerk of the Board
- Letter supporting SB 1020 (Laird), available at [this link](#) or by request to the Clerk of the Board
- Letter AB 2838 (O'Donnell) - Removing Opposition, available at [this link](#) or by request to the Clerk of the Board
- Letter supporting SB 1158 (Becker), available at [this link](#) or by request to the Clerk of the Board
- Letter SB 1393 - Removing Opposition (Archuleta), 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: Felicia Smith, Program Manager
Rebecca Simonson, Director of Programs
Neal Reardon, Director of Regulatory Affairs

Issue: Receive Overview of CPUC-Funded FLEXmarket Program

Date: July 21, 2022

Recommendation

This is an informational item. No action is required.

Background

CPUC Energy Efficiency programs (mostly administered by PG&E and BayREN in SCP territory) are funded by non-bypassable charges collected from every electric ratepayers' distribution rates. SCP customers pay these charges on PG&E's portion of the bill. CCAs can also administer programs with these funds through a CPUC Elect to Administer ("ETA") Advice Letter process.

SCP staff submitted an ETA Advice Letter to the CPUC on December 1, 2021 to administer a FLEXmarket efficiency program, and requested the Energy Efficiency Program Plan for FLEXmarket to be ratified by the Board of Directors by way of the Community Advisory Committee.

- The Community Advisory Committee unanimously voted to recommend that the Board ratify and approve the Energy Efficiency Program Plan for FLEXmarket during the December 16, 2021 Committee meeting.
- The Board of Directors unanimously approved and ratified the Energy Efficiency Program Plan for FLEXmarket on January 6, 2022.

- A Supplemental Advice Letter was submitted to the CPUC on March 9, 2022 at the request of the CPUC to change the program name to FLEXmarket and remove any reference to non-Energy Efficiency Program funding.

On June 2, 2022 the CPUC approved a budget for SCP of \$3,074,682 over the course of its three-year FLEXmarket Energy Efficiency Program Plan. This funding will come from PG&E's Energy Efficiency Portfolio Budget.

This is a milestone for SCP, as this is the first time SCP has applied for and been awarded CPUC funding for one of our programs. SCP made the decision to seek CPUC funding for this program because it was in alignment with efficiency and load shifting strategies SCP is already implementing, SCP could avoid using SCP electricity sales revenues to deliver this program, the program can be tailored to SCP customer needs, SCP will have insight into our customers' load management strategies such that we can forecast and budget appropriately, and it provides us a testing ground for how CPUC-funded programs are implemented and managed.

Discussion

Attachment A provides SCP's Supplemental ETA Advice Letter and Program Plan for FLEXmarket.

The FLEXmarket program is a market-driven program that assigns an hourly price to measured, behind-the-meter energy load reduction and peak load shifting impacts. SCP provides incentives to Service Providers that bring aggregated portfolios of projects, and directly to large commercial & industrial ("C&I") customers that implement projects that deliver efficiency and load shifting. Incentives are paid based on hourly energy savings combined with hourly avoided costs as measured by the FLEXmarket platform. FLEXmarket is supported by a robust measurement and verification ("M&V") plan and platform that utilizes customers actual meter data. This model offers significant innovation and flexibility over traditional energy efficiency approaches that pay on specific installed measures that do not actually measure metered hourly savings.

Through the program, SCP seeks to achieve the following outcomes:

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

- Energy savings

SCP has partnered with Calpine and ReCurve to provide the extensive analytics to identify potential customers, provide M&V, and establish an energy Service Provider network to make this program successful and verifiable. FLEXmarket is a proven program that has been utilized by MCE, East Bay Community Energy, and soon, Peninsula Clean Energy.

The major features of the FLEXmarket program are:

- An open market that Service Providers and large C&I customers can participate in across all solutions including energy efficiency, smart controls of all kinds, and batteries.
- Inclusion of select customer segments in both residential and commercial where there is potential, and overlap with existing programs is limited.
- Setting price points based on the state-wide CPUC “Avoided Cost Calculator” which provides a formal methodology for valuation of avoided costs such as generation, transmission, distribution, greenhouse gas mitigation and other factors.
- SCP providing payments to Service Providers and large C&I customers according to those price points and recouping those funds from the CPUC.
- Partnering with Calpine and Recurve to deliver FLEXmarket.
- Providing formal M&V and auditing to the CPUC, consistent with CPUC requirements.
- Anticipated launch date of September 1, 2022.

Fiscal Impact

This program is funded by the CPUC Energy Efficiency programs through SCP's ratepayer non-bypassable charges. The recent Board-approved fiscal budget include the costs to administer to the program as well as the revenues received from the CPUC to match those costs. There is no net fiscal impact for SCP customers and no net cost to SCP itself.

Attachments

- Attachment A - Supplemental Elect to Administer Advice Letter and Application to CPUC, available at [this link](#) or by request to the Clerk of the Board



Staff Report - Item 06

To: Sonoma Clean Power Authority Community Advisory Committee

From: Rebecca Simonson, Director of Programs
Kimberly Beltran, Technical Program Manager
Carolyn Glanton, Programs Operations Manager

Issue: Recommend that the Board of Directors Approve the Scope of Work and Budget for AutoGrid Systems, Inc. to Administer the GridSavvy Rewards Program and Delegate Authority to the CEO to Negotiate Contract Legal Terms, Negotiate Minor Revisions to the Scope of Work Within a Budget Not to Exceed \$1,744,500, and Execute the Professional Service Agreement for a Term Through December 2026.

Date: July 21, 2022

Requested Action

Recommend that the Board of Directors approve the Scope of Work in Attachment A and Fee Schedule and Budget in Attachment B for AutoGrid Systems, Inc. to administer the GridSavvy Rewards program and delegate authority to the CEO to negotiate contract legal terms, negotiate minor revisions to the Scope of Work within a budget not to exceed \$1,744,500, and execute the Professional Service Agreement over a term that extends through December 2026.

Background

In 2017, Sonoma Clean Power Authority ("SCP"), launched the SCP GridSavvy program. The implementation of GridSavvy enabled SCP to remotely control eligible residential devices including smart EV chargers, smart thermostats, and wi-fi connected heat pump water heaters to shape customer load during peak demand events when the electric grid experiences high demand stress. The resulting load shifting can support grid reliability and could be used to prevent the need for natural gas power plants during high demand events, reducing grid emissions, and creating the opportunity to permanently shut down fossil fuel power plants over time.

There are approximately 1,450 SCP customers currently enrolled in the GridSavvy program using the automated systems.

Discussion

SCP issued a Request for Proposals for a Demand Response Partner on January 4, 2022 to operate and expand the existing GridSavvy program. Based on the quality and thoroughness of their proposal, AutoGrid Systems, Inc. has been selected to administer and expand the SCP GridSavvy Rewards program.

Enrolled SCP customers will be able to participate in the existing automated program with added technology options (battery storage) as well as participate in the newly launched “behavioral” demand response option which allows customers to participate and be compensated even without the use of any smart devices. Staff’s intent is to expand access to those who cannot afford smart devices.

SCP GridSavvy Rewards includes easy enrollment access for the behavioral option, and bilingual materials including event notifications via email or text. The new behavioral program option was launched in May 2022 and already has 1,760 enrolled customers, demonstrating stronger interest than expected.

An additional expansion of the program once AutoGrid is providing services includes a platform that allows SCP to independently call events based on demand needs and to track results. The platform’s control and data tracking can help refine and calibrate when and how often events are called. Additionally, SCP can begin to forecast trends and better predict when events are needed and valuable.

SCP plans to promote the full GridSavvy Rewards program as a powerful tool to improving California’s grid reliability. This will be accomplished through community events, marketing materials, and media that encourages customer participation. The program further strives to acknowledge the contributions of our customers through incentives, equipment discounts, and participation rewards. With the services of AutoGrid, SCP will be able to continue to build brand awareness and participation from our broader community.

Fiscal Impact

The agreement is for AutoGrid consultant services not to exceed \$1,744,500 through December 2026. The contract annual fees are within the Board approved FY2022/2023 budget. The agreement also includes disbursement by AutoGrid of

variable customer incentives and device integration fees that are dependent on customer participation. The variable fee totals are budgeted separately based on Staff forecasts of customer participation and remain solely within SCP's ability to adjust the amounts. The approved Fiscal Year 2022/2023 budget includes the amount of this contract. Future years of the agreement will remain contingent on the SCP Board of Directors' approval of the following fiscal year budgets.

Attachments

- Attachment A - Draft AutoGrid Scope of Work, available at [this link](#) or by request to the Clerk of the Board
- Attachment B - AutoGrid Fee Schedule, available at [this link](#) or by request to the Clerk of the Board