



**AGENDA
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, DECEMBER 15, 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 DECEMBER 15, 2022, MEETING REMOTELY OR IN PERSON AT THE LOCATION SHOWN BELOW.

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

For Those Participating Remotely:

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

How to Submit Public Comment When Participating Remotely:

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. Comments may be submitted in writing 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) 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 November 17, 2022, Draft Community Advisory Committee Meeting Minutes (Staff Recommendation: Approve) **pg. 5**
2. Approve Community Advisory Committee Meeting Dates for 2023 Calendar Year (Staff Recommendation: Approve) **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. 13**
4. Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 25**

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

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**DRAFT MEETING MINUTES
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, NOVEMBER 17, 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 WHICH SUSPENDED CERTAIN REQUIREMENTS OF THE BROWN ACT, MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE PARTICIPATED IN THE NOVEMBER 17, 2022, MEETING IN PERSON AND BY REMOTE ATTENDANCE.

CALL TO ORDER

(1:02 p.m. - Video Time Stamp: 00:03:17)

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. Member Johnson was absent.

Staff present: Geof Syphers, Chief Executive Officer; Neal Reardon, Director of Regulatory Affairs; Ryan Tracey, Director of Planning and Analytics; Erica Torgersen, Director of Customer Service; Danielle McCants, Customer Operations Manager; Chris Golik, Revenue Manager; Ryan Tracey, Director of Planning and Analytics; Carolyn Glanton, Programs Operations Manager; Brant Arthur, Program Manager; and Darin Bartow, Clerk of the Board

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(1:04 p.m. - Video Time Stamp: 00:05:17)

Public Comment: None

COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

(1:04 p.m. - Video Time Stamp: 00:05:33)

1. Approve October 20, 2022, Draft Community Advisory Committee Meeting Minutes
2. Recommend the Board of Directors Approve Updated Board Policies and Tariffs
3. Recommend the Board of Directors Approve Updated Terms and Conditions and CleanStart Tariff following Pilot Program
4. Receive Proposed Resolution 2022-04 Adopting an Amended Conflict of Interest Code Pursuant to the Political Reform Act of 1974
5. Recommend the Board of Directors Approve the Transfer of Unclaimed Checks Pursuant to California Government Code Section 50053
6. Receive the Geothermal Opportunity Zone Update
7. Recommend the Board of Directors Approve and Delegate Authority to the CEO or his Designee to Execute the Fifth Amendment to the Agreement with Your SolarMate, Increasing the Not-to-Exceed Amount by \$100,000 with a Total-Not-to-Exceed amount of \$350,000 through December 31, 2023

Public Comment: None

Motion to approve the November 17, 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

ABSENT: Johnson

BOARD OF DIRECTORS REGULAR CALENDAR

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

(1:06 p.m. - Video Time Stamp: 00:07:56)

Geof Syphers, CEO, introduced Sonoma Clean Power's newest employees, Karen Flores and Melissa Cordova. He gave an update on the CALeVIP

program and stated that SCP has installed 9 new fast chargers. He also noted that October was the busiest month ever for the Advanced Energy Center. CEO Syphers mentioned Congressman Mike Thompson held a press conference on the Inflation Reduction Act at SCP.

Chair Quinlan asked if public EV chargers would be free of charge and CEO Syphers responded that there would have to be a payment system as required by law. Member Wells inquired where the EV chargers installed as part of the CALeVIP program are located and Brant Arthur, Program Manager, responded that a list would be distributed to the Committee. Vice Chair Morris asked where the public could find out where public EV chargers are located, and Mr. Arthur responded that there is a website "plugshare.com" which details this information. Member Booth asked if there is a plan for tracking how much energy is used at the CALeVIP chargers, and Mr. Arthur said yes. Member Kelly asked if batteries could be incorporated into them, and Mr. Arthur explained that this has already been started. Member Nicholls inquired about limitations of adding more chargers in West Sonoma County and CEO Syphers responded that the distribution grid is not robust which limits the number of locations where chargers are easy to install.

Public Comment: Zeno Swijtink asked if low-income communities would be taken into consideration for EV chargers and Brant Arthur, Program Manager answered they are.

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

(1:26 p.m. - Video Time Stamp: 00:27:15)

CEO Syphers gave a legislative update and spoke of the November 8, 2022, US elections and the 2022 UN Climate Conference held in Egypt. He stated that SCP had drafted a letter regarding "fast-trip" devices and delivered it to the CPUC.

Neal Reardon, Director of Regulatory Affairs, gave a regulatory report where he mentioned that the CPUC had released a staff proposal estimating the value of GHG-free attributes for crediting CCA customers in the Power Charge Indifference Adjustment or PCIA. He discussed the extension of the Diablo Canyon Nuclear Facility, and he mentioned that the CPUC revised their Net Energy Metering (NEM) proposal to honor all current tariffs.

Public Comment: None

10. Recommend the Board of Directors Approve and Delegate Authority to the CEO or his Designee to Execute Agreement for Professional Services with Sacramento Municipal Utility District through August 31, 2024, with a Not-To-Exceed Amount of \$125,680 for a Residential and Commercial Community Needs Assessment

(1:41 p.m. - Video Time Stamp: 00:42:06)

This item was heard together with item 11.

Carolyn Glanton, Programs Operations Manager, explained the Strategic Action Plan is written to help staff develop programs that are impactful, scalable, and enhance customers' lives. Items 10 and 11 work toward these goals. As an important first step, community needs assessments need to be performed, followed by goal setting. She stated that the Sacramento Municipal Utility District (SMUD) was chosen to perform community needs assessments in three categories, residential energy use, residential resiliency needs, and commercial building energy use and resiliency, because SMUD has expertise in these areas. Vice Chair Morris asked if SMUD had experience and Ms. Glanton responded that yes, they have done a lot of community outreach in this area. Member Wells asked what defines resiliency and Ms. Glanton responded that it included storage and understanding the burdens on the public during Public Safety Power Shutoffs (PSPS). Member Kelly asked if there were other comparable counties and Ms. Glanton responded that yes, SCP looks at the data from other CCA service territories.

Public Comment: None

Motion to recommend the Board of Directors approve and delegate authority to the CEO or his designee to execute agreement for professional services with Sacramento Municipal Utility District through August 31, 2024, with a not-to-exceed amount of \$125,680 for a residential and commercial community needs assessment by Member Nicholls.

Second: Member Dowd

Motion passed by roll call vote

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

ABSENT: Johnson

11. Recommend the Board of Directors Approve and Delegate Authority to the CEO or his Designee to Negotiate and Execute an Agreement for Professional Services with EVNoire through December 31, 2023, with a Not-To-Exceed Amount of \$110,000 for a Transportation and Mobility Community Needs Assessment

(1:41 p.m. - Video Time Stamp: 00:42:06)

This item was heard with item 10.

Carolyn Glanton, Programs Operations Manager, mentioned that EVNoire was chosen for the transportation and mobility needs category of the community needs assessments because of their experience and expertise in working with disadvantaged communities, along with their extensive data on attitudes towards, and benefits of, driving zero-emission vehicles.

Vice Chair Morris asked if there would be studies done around agriculture and Rebecca Simonson, Director of Programs, responded that a separate agreement with a counterparty is currently being negotiated for that.

Public Comment: Zeno Swijtink asked if SCP is working with other local and regional groups. Ms. Glanton said yes.

Motion to recommend the Board of Directors approve and delegate authority to the CEO or his designee to negotiate and execute an agreement for professional services with EVNoire through December 31, 2023, with a not-to-exceed amount of \$110,000 for a transportation and mobility community needs assessment by Chair Quinlan.

Second: Vice Chair Morris

Motion passed by roll call vote

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

ABSENT: Johnson

12. Recommend the Board of Directors Approve Parameters to Establish New Customer Rates for Implementation Following Changes to Customer Exit Fees on or After January 1, 2023

(1:58 p.m. - Video Time Stamp: 00:59:59)

Chris Golik, Finance Manager, stated that PG&E will reduce the Power Charge Indifference Adjustment (PCIA) which allows SCP to present two options for

new customer rates to the CAC and Board. The first option would set customer total bills to 5% below PG&E's bundled service bills and allow the Reserve Balance to continue to grow. The second option would set bills 9% lower than PG&E bundled bills. He discussed SCP's rate setting and reserve goals and how the two options would affect those goals.

Chair Quinlan asked for Committee members to give their input. Members Dowd, Kelly, Wells, Hollinshead, and Nicholls all expressed support for Option 1.

Motion to recommend the Board of Directors approve parameters to establish new customer rates for implementation following changes to customer exit fees on or after January 1, 2023, and recommend Option 1, by Member Dowd.

Second: Member Lipp

Motion passed by roll call vote

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

ABSENT: Johnson

COMMITTEE MEMBER ANNOUNCEMENTS

(2:14 p.m. - Video Time Stamp: 01:14:53)

Member Nicholls thanked the Advanced Energy Center for their home battery seminar.

ADJOURN

(2:16 p.m. - Video Time Stamp: 01:16:01)

The meeting was adjourned by unanimous consent.



Staff Report - Item 02

To: Sonoma Clean Power Authority Community Advisory Committee
From: Stephanie Reynolds, Director of Internal Operations
Issue: Approve Community Advisory Committee Meeting Dates for 2023 Calendar Year
Date: December 15, 2022

Recommendation

Approve Community Advisory Committee Meeting Dates for 2023 Calendar Year.

Background

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

Discussion

The proposed schedule, included as an attachment, would continue to fix the CAC meeting schedule to the 3rd Thursday of each month. Planning the dates in advance would not prohibit the Chair or Vice Chair from cancelling a meeting should there be a light agenda and/or a lack of a quorum on the pre-determined meeting date. Over the past several years, the August meeting has been cancelled due to the lack of a September Board meeting. The decision whether to cancel the August meeting will be determined in June or July of 2023. Staff anticipates conducting hybrid meetings under [AB 361](#), which suspends certain requirements of the Brown Act due to the COVID-19 pandemic.

Attachments

- 2023 SCPA Community Advisory Committee Meeting Schedule



**Sonoma Clean Power Authority
Community Advisory Committee
Schedule of Meetings
January - December 2023
1:00 p.m. - 3:00 p.m.**

(The CAC normally meets on the 3rd Thursday of each month)

January 19, 2023

February 16, 2023

March 16, 2023

April 20, 2023

May 18, 2023

June 15, 2023

July 20, 2023

August 17, 2023 (tentative)

September 21, 2023

October 19, 2023

November 16, 2023

December 21, 2023



Staff Report - Item 03

To: Sonoma Clean Power Authority Community Advisory Committee

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

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

Date: December 15, 2022

ADVANCED ENERGY CENTER UPDATE

The Advanced Energy Center is busy with events this December. This week SCP is holding an induction cooking event with Food for Thought and SCP is sharing our space with the NAACP, the Building Decarbonization Coalition, and several other groups who will hold their meetings and holiday events at the Energy Center. Staff are hosting field trips from several high schools to take on the Advanced Energy Center Challenge. Also, Mitsubishi will be teaching another accredited certification course on heat pump HVAC systems at the Energy Center.

The induction lending program has expanded its outreach by lending induction burners to commercial partners, like BayRen, to use at their events to demonstrate the technology and talk about SCP incentives. Recently SCP donated six burners to a fundraising event for Sonoma Family Meals where a cookoff was held between three acclaimed local chefs, including Dustin Valette.

Over 5200 guests have now visited their local power provider at the Energy Center. SCP has now incentivized over 175 homes with over \$265,000 of incentives. The leading technology incentivized through the Center is the Heat Pump Water Heater.

We encourage everyone to visit and see the many options to go all electric in 2023.

SCP HEADQUARTERS BUILDING WINS TOP PROJECTS AWARD

Each year, the North Bay Business Journal celebrates the most outstanding and innovative architectural projects in our area. Our Headquarters building at 431 E

Street was honored to be among the winners for 2022. An article with details and the other winning projects will be in the December 12th edition of the magazine (<https://www.northbaybusinessjournal.com>)

PREPARING FOR NOMINATIONS FOR CHAIR AND VICE CHAIR FOR 2023

Following this December meeting, Committee members will be asked to fill out a brief survey on their goals for SCP and answering whether they have an interest in serving as Chair or Vice Chair next year. In the January 2023 meeting, the agenda will include nominations and the election of the next Chair and Vice Chair.

SCP HOLIDAY EFFORTS

The holiday season is a time of both need and joy in our communities, and Sonoma Clean Power is happy to contribute to both.

SCP kicked off the holiday season by sponsoring the Lighting of the Plaza in Sonoma in late November and by sponsoring Sparky's Ice Spectacular at Snoopy's Home Ice.

We are continuing our year-round tradition of helping to fight food insecurity by donating to seven food banks in Sonoma & Mendocino counties.

SCP is participating in the Center for Volunteerism and Non-Profit Leadership's (CVNL's) Secret Santa Program, by adopting/fulfilling the holiday wish for a family in need, announced during FM 100.1 KZST's Secret Santa Marathon. We invite the public to stop by the Advanced Energy Center to participate in the CVNL's Adopt a Heart program, to fulfill the holiday gift wish of someone in need.

SCP is a proud sponsor of the Ukiah Valley Christmas Effort and to be the Presenting Sponsor of the Mendocino Coast Botanical Garden's 12th Annual Festival of Lights.

Once again, SCP has partnered with Snoopy's Home Ice and Redwood Ice Theatre Company to present eight FREE holiday skating shows December 16-18, 2022. No tickets or reservations needed. For more information, visit our website at sonomacleanpower.org/holidays.

MONTHLY COMPILED FINANCIAL STATEMENTS

The year-to-date change in net position is more than projections. Year-to-date revenue from electricity sales exceeded budget by 13% and cost of energy exceed budget projections by 21%. Year-to-date electricity sales reached \$99,080,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$149,747,000, which indicates growth as SCP continues to make progress towards its reserve goals. Approximately \$63,511,000 is set aside for operating reserves. Operating reserves are expected to increase to reach SCP's long-term target reserve balance by or before June 30, 2022, and will be updated when audited financials become available.

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

BUDGETARY COMPARISON SCHEDULE

The accompanying budgetary comparison includes the 2022/23 budget approved by the Board of Directors.

The budget is formatted to make comparisons for both the annual and the year-to-date perspective. The first column, 2022/23 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 over budget by approximately 13% at the end of the reporting period.

The cost of electricity is more than the budget-to-date by approximately 21%. 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.

ATTACHMENTS

- October 2022 Financials

UPCOMING MEETINGS

- Board of Directors - January 5, 2023
- Community Advisory Committee - January 19, 2023 (pending approval of item 2 on this meeting's agenda)



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Sonoma Clean Power Authority

Management is responsible for the accompanying special purpose statement of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended October 31, 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
November 30, 2022

**SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Four Months Ended October 31, 2022**

	2022/23 YTD Budget	2022/23 YTD Actual	2022/23 YTD Budget Variance (Under) Over	2022/23 YTD Actual / Budget %	2022/23 Budget	2022/23 Budget Remaining
REVENUE AND OTHER SOURCES:						
Electricity (net of allowance) *	\$ 86,556,553	\$ 98,198,129	\$ 11,641,576	113%	\$ 244,400,000	\$ 146,201,871
Evergreen Premium (net of allowance)	818,816	881,497	62,681	108%	2,312,000	1,430,503
CEC Grant	471,333	190,086	(281,247)	40%	1,414,000	1,223,914
Investment income	126,667	(353,031)	(479,698)	-279%	380,000	733,031
Miscellaneous Income	341,667	-	(341,667)	0%	1,025,000	1,025,000
Total revenue and other sources	<u>88,315,036</u>	<u>98,916,681</u>	<u>10,601,645</u>	<u>112%</u>	<u>249,531,000</u>	<u>150,614,319</u>
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	61,140,724	73,701,690	12,560,966	121%	171,380,000	97,678,310
Data management	892,333	895,042	2,709	100%	2,677,000	1,781,958
Service fees- PG&E	326,333	325,467	(866)	100%	979,000	653,533
Personnel	2,467,525	2,285,576	(181,949)	93%	7,650,000	5,364,424
Energy Center, marketing & communications	902,287	725,064	(177,223)	80%	2,557,000	1,831,936
Customer service	100,337	88,303	(12,034)	88%	291,000	202,697
General and administration	373,399	384,133	10,734	103%	1,140,000	755,867
Legal	143,333	73,914	(69,419)	52%	430,000	356,086
Regulatory and compliance	173,267	103,969	(69,298)	60%	460,000	356,031
Accounting	86,000	68,000	(18,000)	79%	258,000	190,000
Legislative	73,333	32,000	(41,333)	44%	220,000	188,000
Other consultants	190,333	130,307	(60,026)	68%	571,000	440,693
Industry memberships and dues	205,000	165,702	(39,298)	81%	560,000	394,298
Program implementation	2,414,508	445,087	(1,969,421)	18%	6,025,000	5,579,913
Program - CEC grant	1,393,333	410,906	(982,427)	29%	4,180,000	3,769,094
Total current expenditures	<u>70,882,045</u>	<u>79,835,160</u>	<u>8,953,115</u>	<u>113%</u>	<u>199,378,000</u>	<u>119,542,840</u>
OTHER USES						
Capital outlay	200,000	51,262	(148,738)	26%	600,000	548,738
Total Expenditures, Other Uses	<u>71,082,045</u>	<u>79,886,422</u>	<u>8,804,377</u>	<u>112%</u>	<u>199,978,000</u>	<u>120,091,578</u>
Net increase (decrease) in available fund balance	<u>\$ 17,232,991</u>	<u>\$ 19,030,259</u>	<u>\$ 1,797,268</u>		<u>\$ 49,553,000</u>	<u>\$ 30,522,741</u>

* Represents sales of approximately 716,000 MWh for 2022/23 YTD actual.

	Current Balance	% of Long-Term Term Target	Long-Term Targeted Balance
RESERVES			
Operating Reserve (as of June 30, 2021)	<u>\$ 63,511,000</u>	<u>42%</u>	<u>\$ 152,948,000</u>

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

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 19,030,259
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(452,560)
Add back capital asset acquisitions	<u>51,262</u>
Change in net position	<u><u>\$ 18,628,961</u></u>



ACCOUNTANTS' COMPILATION REPORT

Management
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of October 31, 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
November 30, 2022

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of October 31, 2022

ASSETS

Current assets

Cash and cash equivalents	\$ 61,731,942
Accounts receivable, net of allowance	27,913,439
Other receivables	2,405,450
Accrued revenue	11,530,395
Prepaid expenses	1,623,121
Deposits	7,289,203
Investments	34,674,293
Total current assets	<u>147,167,843</u>

Noncurrent assets

Land	860,520
Capital assets, net of depreciation	18,335,489
Deposits	846,256
Total noncurrent assets	<u>20,042,265</u>
Total assets	<u>167,210,108</u>

LIABILITIES

Current liabilities

Accrued cost of electricity	11,234,069
Accounts payable	991,319
Advanced from grantors	3,074,682
Other accrued liabilities	1,484,868
User taxes and energy surcharges due to other governments	678,184
Total current liabilities	<u>17,463,122</u>

NET POSITION

Investment in capital assets	19,196,009
Unrestricted	130,550,977
Total net position	<u>\$ 149,746,986</u>

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

OPERATING REVENUES

Electricity sales, net	\$ 98,198,129
Evergreen electricity premium	881,497
Grant revenue	190,086
Total operating revenues	<u>99,269,712</u>

OPERATING EXPENSES

Cost of electricity	73,701,690
Contract services	2,962,887
Staff compensation	2,285,576
General and administration	592,768
Program rebates and incentives	292,239
Depreciation	452,560
Total operating expenses	<u>80,287,720</u>
Operating income (loss)	<u>18,981,992</u>

NONOPERATING REVENUES (EXPENSES)

Investment earnings (loss)	(353,031)
Nonoperating revenues (expenses), net	<u>(353,031)</u>

CHANGE IN NET POSITION

	18,628,961
Net position at beginning of period	<u>131,118,025</u>
Net position at end of period	<u>\$ 149,746,986</u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS Four Months Ended October 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 101,201,830
Receipts from grantors	3,414,695
Other operating receipts	1,777,743
Payments to electricity suppliers	(78,850,917)
Payments for other goods and services	(4,215,844)
Payments for staff compensation	(2,252,775)
Tax and surcharge payments to other governments	(1,236,083)
Payments for program rebates and incentives	(1,239,492)
Net cash provided (used) by operating activities	<u>18,599,157</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(158,850)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Investment earnings (loss)	<u>188,093</u>
Net cash provided (used) by investing activities	<u>188,093</u>

Net change in cash and cash equivalents	18,628,400
Cash and cash equivalents at beginning of year	<u>43,103,542</u>
Cash and cash equivalents at end of period	<u>\$ 61,731,942</u>

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

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

Operating income (loss)	\$ 18,981,992
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	452,560
Revenue adjusted for provision for uncollectible accounts	2,124,409
(Increase) decrease in:	
Accounts receivable	(3,142,469)
Other receivables	(775,203)
Accrued revenue	1,901,414
Prepaid expenses	1,338,122
Deposits	(1,826,222)
Increase (decrease) in:	
Accrued cost of electricity	(5,841,550)
Accounts payable	(311,719)
Advanced from grantors	3,074,682
Accrued liabilities	2,395,372
User taxes due to other governments	2,769
Supplier security deposits	225,000
Net cash provided (used) by operating activities	<u>\$ 18,599,157</u>

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Staff Report - Item 04

To: Sonoma Clean Power Authority Community Advisory Committee

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

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

Date: December 15, 2022

Requested Action

Receive legislative and regulatory updates and provide direction as appropriate.

Regulatory Updates

CPUC Issues Revised Proposal to Modify Net Energy Metering

On November 10, 2022, the CPUC issued much-awaited revisions to their Proposed Decision modifying net energy metering 2.0 ("NEM 2.0") and replacing it with "Net Billing." These tariffs are what allow customers with onsite renewable generation - often solar systems on their roofs - to receive financial credits for the energy they produce. The original NEM, now referred to as NEM 1.0, was first established via SB 656 in 1995. It was revised in 2013, with the resulting "NEM 2.0" still paying customers the full retail rate for energy exported to the grid but levying fixed monthly charges and a one-time interconnection fee. The decision adopting NEM 2.0 established 2019 as the time for review, specifically to ensure that non-participating customers are not paying increased bills as a result of the support provided to NEM customers.

The rationale for the proposed changes is that NEM 2.0 has been found to negatively impact non-participating customers and is not cost-effective, the successor tariff is designed to promote equity, inclusion, electrification, and paired storage and provide a glide path so the industry can transition. CPUC modeling estimates that rooftop solar systems will no longer provide the ~5-year payback they do today, and the revised export rate is expected to allow for an average residential customer to break even on

their initial investment in 9 years. Also of note, the Proposed Decision acknowledges that even with the reductions in credits proposed, Net Billing customers would remain subsidized by non-participating customers.

The original Proposed Decision, issued in December of 2021, was supported by investor-owned utilities but strongly opposed by the majority of stakeholders. At the direction of this Board, SCP issued a public letter urging the Commission to modify that proposal to better value solar energy and protect existing NEM customers by honoring their NEM 1.0 and NEM 2.0 agreements. The recently issued Proposed Decision incorporates many of the changes sought by SCP. Specifically, it now proposes:

- Honoring existing NEM customer tariffs and only making modifications for future customers who apply for interconnection after April 15, 2023

Note: these agreements are tied to the original owner of the system and not the property; if an existing NEM customer sells their property, the new owner will not continue to receive service under NEM 1.0 or 2.0 and will instead receive service under the new Net Billing agreement.

- Eliminating the new monthly fee called the “Grid Participation Charge” of \$8/kW per month for solar systems, which would have amounted to \$40-\$50 for a typical residential customer
- Providing an additional “adder” for energy exported to the grid for the first 9 years of system operation, after 9 years energy exported to the grid will be paid the utilities’ avoided cost per kWh

The Proposed Decision is on the agenda for the Commission’s December 15, 2022, voting meeting. If adopted it would go into effect April 15, 2023. Customers who submit applications to interconnect eligible systems before that date would receive service under the existing NEM 2.0; those applying after April 15th would receive service under the new Net Billing tariff.

It is important to note that Net Billing reduces the compensation for *exports* to the grid. Customers generating energy to meet their own onsite demand will continue to reap 100% of the financial and climate benefit from powering their homes and vehicles with clean energy.

Legislative Update

Legislators were recently sworn in, including 34 new freshmen lawmakers across both houses, so SCP will be looking to work with CalCCA to educate the new lawmakers about community choice issues. Spot bills have started to circulate already, although as of December 7, no substantive bills have been shared. Staff expect a more significant update in February after the year's first round of bills go into print.