

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS
Six Months Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 142,777,145
Receipts from grantors	3,414,694
Other operating receipts	3,353,049
Payments to electricity suppliers	(110,329,493)
Payments for other goods and services	(5,801,585)
Payments for staff compensation	(3,371,384)
Tax and surcharge payments to other governments	(1,706,973)
Payments for program rebates and incentives	(2,010,700)
Net cash provided (used) by operating activities	<u>26,324,753</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(162,271)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	396,820
Purchase of certificates of deposit	<u>(25,000,000)</u>
Net cash provided (used) by investing activities	<u>(24,603,180)</u>

Net change in cash and cash equivalents	1,559,302
Cash and cash equivalents at beginning of year	43,103,542
Cash and cash equivalents at end of period	<u>\$ 44,662,844</u>

SONOMA CLEAN POWER AUTHORITY

**STATEMENT OF CASH FLOWS (continued)
Six Months Ended December 31, 2022**

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

Operating income (loss)	\$ 28,172,464
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	678,119
Revenue adjusted for provision for uncollectible accounts	3,126,895
(Increase) decrease in:	
Accounts receivable	(5,815,733)
Other receivables	(6,429,026)
Accrued revenue	(2,137,243)
Prepaid expenses	1,819,613
Deposits	(1,882,230)
Increase (decrease) in:	
Accrued cost of electricity	3,227,774
Accounts payable	(518,862)
Advanced from grantors	3,074,682
Accrued liabilities	1,351,668
User taxes due to other governments	81,632
Supplier security deposits	1,575,000
Net cash provided (used) by operating activities	<u>\$ 26,324,753</u>

SCP Census Tract Participation Report

February 2023

Census Tract Number	Census Tract Name	Participation Rate	2022 Opt-outs per 1,000 SCP Meters
06097152000	Downtown Santa Rosa 152000	94.70%	3.17
06097154308	Sea Ranch/Timber Cove 154308	94.41%	3.43
06097153406	North Sebastopol 153406	94.34%	1.82
06097154307	Sea Ranch/Timber Cove 154307	93.58%	1.99
06097150701	Grant 150701	92.87%	3.93
06097152201	Northern Junior College Neighborhood 152201	92.76%	7.80
06097151900	Burbank Gardens 151900	92.12%	5.39
06097151206	West Cotati/Penngrrove 151206	92.09%	6.84
06097151702	Spring Lake 151702	92.02%	6.07
06097152804	Bicentennial Park 152804	91.79%	5.07
06097152402	Fountain Grove 152402	91.39%	10.20
06097151406	Taylor Mountain 151406	90.82%	11.79
06097153708	Monte Rio 153708	90.66%	3.93
06097150611	Casa Grande 150611	90.48%	9.75
06097151506	West Bennett Valley 151506	90.45%	6.85
06097152203	Southern Junior College Neighborhood 152203	90.43%	4.65
06097153710	Guerneville 153710	90.39%	4.65
06097150901	McKinley 150901	90.29%	8.05
06097154305	Occidental/Bodega 154305	90.24%	6.40
06097153905	North Healdsburg 153905	90.24%	5.85
06097153001	Coddington 153001	90.24%	5.92
06097150306	Boyes Hot Springs/Fetters Springs/Agua Caliente East 150306	90.16%	7.19
06097151305	Downtown Rohnert Park 151305	90.00%	5.31
06097153709	Guerneville 153709	90.00%	6.94
06097151204	Downtown Cotati 151204	89.92%	5.83
06097152803	Bicentennial Park 152803	89.89%	6.99
06097152100	West Junior College 152100	89.88%	10.16
06097150902	Cherry Valley 150902	89.87%	1.43
06097151301	Rohnert Park A Section 151301	89.84%	6.81
06097152204	Brush Creek 152204	89.77%	5.45
06097153104	Roseland 153104	89.74%	6.35

06097154000	Dry Creek 154000	89.57%	5.55
06097150800	Spring Hill 150800	89.54%	5.15
06097150612	Petaluma Airport/Arroyo Park 150612	89.50%	9.35
06097151701	Spring Lake 151701	89.47%	8.25
06097153811	West Windsor 153811	89.46%	11.04
06097151405	Taylor Mountain 151405	89.42%	7.25
06097151203	East Cotati/Rohnert Park L Section 151203	89.32%	6.34
06097154304	Jenner/Cazadero 154304	89.32%	5.10
06097152801	Schaefer 152801	89.31%	5.66
06097153904	North Healdsburg 153904	89.25%	15.53
06097151800	Montgomery Village 151800	89.25%	5.86
06097153808	Central Windsor 153808	89.18%	3.79
06097151403	Kawana Springs 151403	89.14%	8.46
06097153003	Railroad Square 153003	89.10%	7.11
06097154306	Occidental/Bodega 154306	89.05%	11.03
06097151311	Rohnert Park M Section 151311	89.04%	6.01
06097153707	Monte Rio 153707	88.95%	8.23
06097150501	Kenwood/Glen Ellen 150501	88.86%	7.52
06097150305	Fetters Springs/Agua Caliente West 150305	88.82%	5.72
06097150609	Sunrise/Bond Parks 150609	88.72%	8.93
06097153403	Southeast Sebastopol 153403	88.63%	10.69
06097152903	Comstock 152903	88.62%	6.84
06097153002	West End 153002	88.53%	7.02
06097153807	Windsor East 153807	88.45%	4.69
06097152300	Rural Cemetery 152300	88.29%	4.33
06097152205	Brush Creek 152205	88.27%	1.32
06097151309	Rohnert Park SSU/J Section 151309	88.25%	11.12
06097153601	West Sebastopol/Graton 153601	88.18%	2.23
06097150702	Old Quarry 150702	88.08%	5.11
06097150204	Downtown Sonoma 150204	88.05%	4.56
06097153810	West Windsor 153810	88.01%	4.49
06097152401	Fountain Grove 152401	87.97%	11.65
06097151308	Rohnert Park D/E/S Section 151308	87.95%	9.03
06097153711	Russian River Valley 153711	87.85%	10.04
06097150603	Lucchesi/McDowell 150603	87.83%	8.11
06097152701	Larkfield-Wikiup 152701	87.80%	8.54
06097151306	Central Rohnert Park 151306	87.78%	9.13

06097152501	Middle Rincon South 152501	87.68%	3.56
06097154100	Alexander Valley 154100	87.60%	3.24
06097153705	Forestville/Rio Nido 153705	87.55%	3.61
06097151602	Annadel/South Oakmont 151602	87.51%	5.97
06097152601	Skyhawk 152601	87.44%	5.40
06097151205	West Cotati/Penngrove 151205	87.43%	16.43
06097153301	Wright 153301	87.40%	7.40
06097150610	Meadow 150610	87.38%	4.66
06097152905	Pioneer Park 152905	87.29%	5.73
06097151505	West Bennett Valley 151505	87.26%	4.71
06097153006	Olivet Road 153006	87.23%	9.13
06097153302	Wright 153302	87.19%	6.41
06097152702	Shiloh South 152702	87.13%	17.56
06097153502	Gold Ridge 153502	87.02%	6.81
06097150205	Sonoma City North/West Mayacamas Mountain 150205	87.00%	3.57
06097150206	Sonoma City North/West Mayacamas Mountain 150206	86.92%	2.12
06097153404	Southwest Sebastopol 153404	86.88%	6.56
06097150203	Sonoma City South/Vineburg 150203	86.87%	3.89
06097153712	Russian River Valley 153712	86.82%	5.62
06097153201	Bellevue 153201	86.76%	11.69
06097153103	Roseland Creek 153103	86.64%	5.22
06097151307	Rohnert Park F/H Section 151307	86.63%	5.87
06097153202	Bellevue 153202	86.58%	3.57
06097150502	Kenwood/Glen Ellen 150502	86.54%	6.44
06097150607	Sonoma Mountain 150607	86.41%	9.68
06097151310	Rohnert Park B/C/R Section 151310	86.39%	6.88
06097153806	Central East Windsor 153806	86.35%	15.11
06097153102	Sheppard 153102	86.28%	15.75
06097151000	Cinnabar/West Rural Petaluma 151000	86.21%	8.85
06097153804	Northeast Windsor 153804	86.07%	5.81
06097153809	Windsor Southeast 153809	85.99%	9.37
06097150304	Boyes Hot Springs West/EI Verano 150304	85.76%	9.09
06097152602	Skyhawk 152602	85.75%	8.31
06045011004	Mendocino 011004	85.61%	4.17
06097152904	Piner 152904	85.52%	8.22
06097150601	Miwok 150601	85.49%	7.72
06045011102	Anchor Bay 011102	85.46%	8.08

06097151601	North Oakmont/Hood Mountain 151601	85.44%	7.01
06097153602	West Sebastopol/Graton 153602	85.25%	7.80
06097152906	Fulton 152906	85.17%	7.57
06097151404	Kawana Springs 151404	85.04%	6.56
06097153405	North Sebastopol 153405	84.91%	9.47
06097154201	East Cloverdale 154201	84.79%	17.69
06045011001	Albion 011001	84.78%	3.52
06097152502	Middle Rincon North 152502	84.69%	9.32
06045011200	Boonville 011200	84.64%	6.07
06097153501	Hessel Community 153501	84.41%	5.61
06097153005	Laguna de Santa Rosa/Hall Road 153005	84.28%	8.27
06097151503	East Bennett Valley 151503	84.13%	7.10
06097150303	Arnold Drive/East Sonoma Mountain 150303	83.74%	5.38
06097151504	Central Bennett Valley 151504	83.49%	9.02
06097150602	La Tercera 150602	83.41%	3.80
06097150100	Carneros Sonoma Area 150100	83.23%	7.30
06045010500	Fort Bragg 010500	82.73%	6.83
06097154202	West Cloverdale 154202	82.68%	9.42
06045010400	Fort Bragg 010400	82.58%	7.94
06045011502	Ukiah 011502	82.31%	46.73
06045010200	Laytonville 010200	82.23%	11.95
06097151100	Two Rock 151100	81.96%	5.13
06045011003	Caspar 011003	81.17%	8.98
06045010700	Willits 010700	80.10%	18.47
06045011800	Hopland 011800	79.88%	7.43
06045010602	Brooktrails 010602	78.94%	15.20
06045010300	Cleone 010300	78.91%	10.92
06045011300	Ukiah 011300	78.47%	24.20
06045010601	Willits 010601	77.95%	15.98
06045010900	Calpella 010900	75.84%	30.48
06045010801	Redwood Valley 010801	74.74%	13.85
06045011600	Ukiah 011600	74.73%	29.41
06045011501	Ukiah 011501	74.50%	27.03
06045011700	Talmage 011700	74.29%	12.95
06045010100	Covelo 010100	74.28%	30.11
06045010802	Potter Valley 010802	64.07%	19.23

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Staff Report - Item 08

To: Sonoma Clean Power Authority Community Advisory Committee

From: Ryan Tracey, Director of Planning & Analytics
Geof Syphers, Chief Executive Officer

Issue: Recommend the Board Authorize the CEO or his Designee to Execute Geothermal Opportunity Zone (GeoZone) Cooperation Agreements with Chevron New Energies, Cyrq Energy Inc., and Eavor Inc.

Date: February 16, 2023

Recommended Action

Review and recommend that the Board delegate authority to the Chief Executive Officer or his designee to execute Geothermal Opportunity Zone (GeoZone) Cooperation Agreements (substantially like the attached documents but subject to revisions approved by the CEO and reviewed by SCP's Special Counsel). The Committee will be asked for a separate vote on each of the following agreements:

- GeoZone Cooperation Agreement with Chevron New Energies
- GeoZone Cooperation Agreement with Cyrq Energy Inc.
- GeoZone Cooperation Agreement with Eavor Inc.

Although each agreement has been negotiated independently, all three outline similar expectations for the counterparty to deploy new technology to increase the capacity of local geothermal resources in a manner compatible with community values in exchange for SCP's commitment to negotiate a purchase agreement and to support community engagement and advocacy. Each agreement involves two stages: requirements to contract from a small demonstration facility (no greater than 20 MW) and separate requirements to unlock subsequent commercial projects. Given the uncertainty associated with the cost and scope of projects, the Cooperation Agreements do not include prices or other commercial terms but rather a trigger to start negotiations.

Executing the cooperation agreements is within the authority delegated to the Chief Executive Officer. However, pursuing the proposed GeoZone partnerships is a major

strategic decision for the agency. Accordingly, staff is asking the Board to explicitly vote to approve each agreement.

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.

In early 2021, SCP engaged with active private developers and technology companies in the geothermal industry to identify opportunities to reinvigorate local geothermal development. Through this engagement, SCP confirmed its expectation that new technology offers the promise of delivering low-water, low-emission and affordable geothermal at-scale. Feedback from developers flagged common barriers to new development including commercial risk, stakeholder support, transmission, and permitting risks. The GeoZone public-private partnership is designed to proactively address these challenges: SCP offers on-the-ground stakeholder engagement, a commitment to negotiate for the purchase of power, and advocacy on state and local policy in exchange for a developer's commitment to utilize its technology and capital to develop new local geothermal resources that are compatible with GeoZone objectives and community values, and to offer new resources first to SCP.

The GeoZone initiative is inspired by a similar initiative undertaken by the Redwood Coast Energy Authority (RCEA) to mobilize local offshore wind development. RCEA selected private partners in 2018 to move offshore wind development forward. The partnership RCEA developed has been important in building the momentum that offshore wind currently enjoys in California electricity resource planning.

Selected Partners

SCP released a Request for Information (RFI) for prospective partners in the GeoZone on March 14, 2022. Responses to the RFI were due on April 29, 2022. A multi-discipline team including staff and experts in geology, air quality, water, geothermal development, business, and engineering 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 stakeholder engagement round served two important purposes: it provided key stakeholders with an early opportunity to provide feedback on the direction of the GeoZone initiative and allowed SCP staff to gauge the compatibility of proposals with the community and the responsiveness of potential private partners to public feedback. Following the engagement round, staff reconvened the evaluation team to discuss trade-offs between selecting one or more of the finalist proposals.

The three finalist proposals considered by staff for partnership are summarized below:

- **Chevron New Energies (CNE):** A subsidiary of Chevron proposed developing 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 proposed deployment of 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.
- **Eavor:** A Canadian geothermal technology company proposed use of 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.

SCP staff and the evaluation team found strong merit and potential risks in all three finalist proposals. Each proposal presented a different approach to meeting GeoZone objectives. Eavor’s proposal was specific to a technology that carries less exploration risk and minimizes water use but is still under development. CNE’s approach was to adapt the technology and development approach after investing in exploration and pilots, which carries more long-term permitting risk. Cyrq uses proven technology on existing surface equipment but will need to navigate a commercial arrangement with an existing operator at the Geysers.

Given both the strong potential and varying risks between the proposals, SCP staff and the evaluation team believed the best path forward was pursuing partnerships with all three finalists. Proceeding with three parallel approaches to enhancing local geothermal resources offers the best chance at achieving or exceeding the GeoZone objectives. Meanwhile, the need for renewable baseload power in California continues to grow and should all three proposals succeed, SCP is confident there will be a strong market for all the developed geothermal power.

SCP staff presented its recommendation to pursue negotiations of cooperation agreements with partners and execute Memorandum of Understandings (MOUs) to signal an intent to partner to the SCP Board of Directors on October 6, 2022. The Board voted unanimously to move forward.

GeoZone Cooperation Agreements

Following the October Board meeting, staff have been working with SCP's counsel for energy transactions to draft and negotiate cooperation agreements with each of the three partners. The agreements are designed to provide the commercial and community support needed for partners to invest in project and technology development in the GeoZone. The agreements also establish clear expectations for the required maturity of GeoZone projects to trigger contract negotiation with commercial terms.

SCP staff recognizes that administering the GeoZone and supporting the selected partners will require agency resources—including staff time, legal support, consulting contracts, and policy advocacy. To protect the investment of ratepayer resources, SCP incorporated a right of first refusal (ROFR) into each agreement for projects developed in the GeoZone to ensure that SCP has the ability to directly benefit from success in the GeoZone.

Sonoma County and Mendocino County both passed resolutions to join SCP in forming the GeoZone but are not party to the cooperation agreements. Their membership was invaluable in signaling to private partners that the region was open to exploring new geothermal development and willing to partner in overcoming project development obstacles. However, there is no requirement for counties to incur costs or significant staff time through their participation.

Next Steps

Representatives from each of the three GeoZone partners will provide a short presentation at the March 2nd Board of Directors meeting. CAC members and the public are encouraged to attend if they are interested in hearing additional details on

the technologies and development proposed in the GeoZone.

If the Board approves the staff's recommendation to execute cooperation agreements with each GeoZone partner, proactive stakeholder engagement and preliminary project development will begin in earnest. GeoZone partners started engaging potential site hosts last year and with the approval of cooperation agreements, will start taking steps to secure site control. SCP will reconvene and expand its public stakeholder group to start collecting input on considerations for project design—especially as partners home in on specific sites.

Cyrq Energy is filing its first grant application on March 3rd, the day following presentation of this item to the Board. The prospective grant is funded by the Department of Energy's Office of Clean Energy Demonstrations for long duration storage projects. Cyrq's team for the application includes SCP, Calpine (who will host the technology at an existing plant), the National Renewable Energy Lab, Babcock & Wilcox, and EthosEnergy. An approved cooperation agreement with Cyrq Energy will help demonstrate the commerciality of Cyrq's application. SCP is expecting demonstration grant funding opportunities from the California Energy Commission and the Department of Energy's Geothermal Technology Office.

Staff will continue providing monthly updates to the Community Advisory Committee and Board on GeoZone progress.

Attachments

- GeoZone Cooperation Agreement Between Sonoma Clean Power Authority and Chevron New Energies, available at [this link](#) or by request to the Clerk of the Board
- GeoZone Cooperation Agreement Between Sonoma Clean Power Authority and Cyrq Energy, available at [this link](#) or by request to the Clerk of the Board
- GeoZone Cooperation Agreement Between Sonoma Clean Power Authority and Eavor Inc., available at [this link](#) or by request to the Clerk of the Board

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Staff Report - Item 09

To: Sonoma Clean Power Authority Community Advisory Committee
From: Geof Syphers, CEO
Issue: Discuss 2023 Community Advisory Committee Member Goals
Date: February 16, 2023

Recommendation

This is a discussion at the request of the Community Advisory Committee (CAC) on the goals for the Committee for 2023.

Background

Prior to the January CAC meeting, all members were provided a short form and asked to complete a short biography, state goals for the upcoming year and express whether they were interested in serving as Chair or Vice Chair. These completed forms were included in the January CAC packet and utilized for nominations for Chair and Vice Chair at that meeting. Committee members expressed interest in discussing the listed goals at a future meeting.

The goals listed on the submissions have been sorted by overall topics to facilitate a more organized discussion and are attached to this staff report.

The Third Amended and Restated Joint Powers Authority is available at [this link](#), or by request to the Clerk of the Board.

Attachments

- 2023 Goals for the Community Advisory Committee, categorized by topic
- Section 4.5 of the Third Amended and Restated Joint Powers Authority describing the role of the Community Advisory Committee

2023 Goals for the Community Advisory Committee Members

Diversity and Equity

1. See how the CAC can reach communities of color. There is a dire need for the advancements and resources that SCP provides, but communities of color know little about SCP and even less about the great opportunities we offer: i.e. jobs, information, supplies. This information in a few hands can truly change the impact SCP makes on our diverse community.
2. Identify ways to gather input and feedback from SCP customers who are currently unrepresented or under-represented in programs, activities, and on the CAC.
3. Be a voice for younger generations in particular.
4. Increase diversity in the membership of the CAC.
5. Help assure that SCPA considers equity and social justice issues in programs, rates, policies, operations, and budget. Continue to encourage staff to explore and implement appropriate equity standards in all facets throughout SCP and within its program offerings.

Education and Outreach

1. Promote education programs that provide students and residents with information on benefits of clean energy.
2. Help SCP on efforts to expand financial and energy literacy for SCP customers.

EVs and Charging

1. Increase access to EV charging for residents that do not have access at residence. With BEV's rapidly becoming a significant fraction of private vehicles, convenient fast charging facilities will be critical to ensure a smooth and quick transition. Continue to promote require massive expansion of EV charging infrastructure.
2. Promote infrastructure for electrifying our entire transportation system in whatever manner is available to SCP and is quickest.

PCIA, CPUC and PG&E

1. Reduce the impacts placed on CCAs in California by the CPUC, such as the PCIA requirements. Work with Board and staff to limit or eliminate the damage to our mission caused by the PCIA.
2. Identify ways to support and enhance resiliency for customers given ongoing failures of PG&E. Lobby to recommend Transportation & Distribution redundancy within service area.

Geothermal Opportunity Zone (GOZ), Wind Power, and Storage

1. Work with GOZ to increase energy production while also reducing its water consumption.
2. Continue to pursue opportunities for geothermal and wind projects within SCP's jurisdiction.
3. Help SCP increase local energy storage resources (retail and utility scale).

CCA Promotion and Expansion

1. Promote continued expansion of CCAs in the state of California.
2. Make SCPA and its service territory a model for other CCAs around the country.

CAC Role and Function

1. Investigate expansion of the role of the CAC to include more direct forms of advocacy on behalf of SCPA with elected representatives, regulatory agencies, community members, and other appropriate individuals and organizations.
2. Reach out to the leaders of similar committees at other CCAs to learn how they operate and to share information and best practices.

Advanced Energy Center Promotion and Support

1. Continue to offer customers easy financial and logistical assistance to “Electrify Everything” via the Advanced Energy Center. Continue to promote conversion to heat pump technology.
2. Continue to provide energy program design expertise to help SCP enhance the offerings for the intended targets.
3. Advocate for programs that help customers access financing to upgrade their homes.

General

1. Increase our customer base.
2. Increase our % of clean/renewable energy in the mix of energy provided. Develop and promote more and varied energy efficiency programs. Help SCP rapidly expand distributed renewable power production and storage to support a 50% reduction of fossil fuels usage by 2030, heading toward complete decarbonization of the economy within 20 years. Expand and diversify local generation and storage. Local projects for clean energy delivery. Identify innovative and creative ways to further reduce greenhouse gas emissions in the cities and counties within SCP’s jurisdiction.
3. Explore, investigate, and implement innovative programs for both rural and urban ratepayers.
4. Ensure we are adequately preparing for socio-economic disasters and climate change.

What Did We Miss?

4.5 Commissions, Boards, and Committees. The Board may establish any advisory commissions, boards, and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs, and the provisions of this Agreement. All advisory commissions, boards, and committees established by the Board shall comply with the requirements of the Ralph M. Brown Act. The Board may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees, and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

4.5.1 Community Advisory Committee. The Board shall establish a Community Advisory Committee consisting of a minimum of seven members and a maximum of eleven members, none of whom may be members of the Board. In appointing members to the Committee, the Board shall use its best efforts to appoint a balanced, diverse group of individuals, a majority of whom represent the interests of customers as ratepayers (both residential and commercial/industrial), and including members having expertise in one or more of the areas of management, administration, finance, or contracts (in either the public or private sector), infrastructure development, renewable power generation, power sales and marketing, energy conservation, public policy development, or public relations. The Board shall publicize the opportunity to serve on the Community Advisory Committee, and shall appoint members of the Community Advisory Committee from those individuals expressing interest in serving, giving a preference to individuals who are customers of the CCA Program. Members of the Community Advisory Committee shall serve staggered four-year terms as determined by the Board of Directors. A member of the Community Advisory Committee may only be removed by the Board of Directors by a two-thirds vote as provided in Section 4.7.5. Each member of the Community Advisory Committee shall have one vote; a majority of members shall constitute a quorum; and a majority of a quorum is sufficient for committee action.

4.5.2 Duties and Powers of Community Advisory Committee. The Community Advisory Committee shall meet at least six times per calendar year, and shall have the following duties and powers:

4.5.2.1 Review of Budget and Rates. The proposed annual budget of the CCA Program and any rates or charges proposed to be imposed by the Authority for CCA Program power or services shall be submitted to the Community Advisory Committee for review and comment. Following review by the Community Advisory Committee of any such matter, the committee shall recommend to the Board that the matter be approved, approved as amended, or disapproved by the Board. The recommendation of the Community Advisory Committee shall be communicated to the Board and noted on the agenda for the meeting at which the Board considers the matter. The Board may impose a reasonable deadline for action on the Community Advisory Committee as necessary to ensure the timely setting of rates by the Authority.

4.5.2.1.1 Temporary Rate Changes. Notwithstanding the requirements in Sections 4.3 and 4.5.2.1, the Chief Executive Officer may change any rate for power sold by the Authority or any charge for services provided by the Authority if (a) the need for the change arises from (i) unforeseen circumstances, (ii) a change in rates or charges imposed on the Authority or its customers by PG&E, the CPUC, or any other regulatory agency, or (iii) technical deficiencies or errors in an existing Authority rate or charge; and (b) the Chief Executive Officer determines, following consultation with the Chair of the Board of Directors, that the change is reasonably necessary for budgetary reasons or to keep the Authority's rates and charges competitive. Changes in rates or charges made by the Chief Executive Officer under this Section shall be brought to the Board of Directors at the next scheduled meeting for consideration and shall expire after 90 days unless ratified by the Board of Directors.

4.5.2.2 Review of Policies and Programs. The Community Advisory Committee may review and may make recommendations with respect to the programs, policies, and operations of the CCA Program to the Chief Executive Officer or to the Board of Directors. The Community Advisory Committee shall have the opportunity to review and comment upon proposals for new programs, policies, or significant operational changes proposed by the Chief Executive Officer for the CCA program. If requested by the Community Advisory Committee, the Chief Executive Officer shall provide the Committee with any information reasonably necessary for the Committee to carry out its duties. Actions of the Community Advisory Committee are advisory only, and Community Advisory Committee action or approval is not a prerequisite to the Board of Directors' or the Chief Executive Officer's action on any item.

4.5.2.3 Reports to the Board. The Community Advisory Committee may prepare or cause to be prepared for presentation to the Board any reports, investigations, studies, or analyses relating to the Authority or the CCA Program.

4.5.2.4 Placing Matters on Board's Agenda. The Community Advisory Committee may place any matter relating to the Authority or the CCA Program on the Board's agenda for consideration and possible action.

4.5.2.5 Support for Community Advisory Committee. The Board shall provide for reasonable and necessary administrative assistance to the Community Advisory Committee. If requested by the Community Advisory Committee, the Chief Executive Officer shall enter into contracts as reasonably necessary to carry out the duties and powers of the Community Advisory Committee; provided, however, that (a) the amount payable under any contract cannot exceed \$20,000 per year, (b) the total amount payable under all contracts cannot exceed \$50,000 per year, and (c) the contracts are in a form acceptable to the Authority's Chief Executive Officer and General Counsel. The Board of Directors may authorize an amount in excess of these expenditure limits if it finds and determines that it is reasonable and necessary to do so for the Community Advisory Committee to perform its obligations.

4.5.2.6 Chief Executive Officer Reports to Community Advisory Committee. The Chief Executive Officer shall prepare, no later than the 20th day of each first month of each fiscal quarter, a report to the Community Advisory Committee on the operations of the Authority during the preceding fiscal quarter. The report shall contain information regarding the financial performance of the Authority during the preceding quarter, the number of accounts served, the amount of power delivered, and a narrative description of energy efficiency, energy conservation, renewable power generation, and other programs carried out by the Authority.

4.5.2.7 Other Delegated Powers. The Board of Directors may delegate such other and further powers and duties to the Community Advisory Committee as it shall determine in its sole discretion.

4.5.2.8 Existing Committees Dissolved. Effective as of the date this Third Amended and Restated Agreement is approved, the Ratepayer Advisory Committee and the Business Operations Committee are dissolved.



Staff Report - Item 10

To: Sonoma Clean Power Authority Community Advisory Committee

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

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

Date: February 16, 2023

Recommended Actions

Review the 2023 Programs Strategic Action Plan and provide comments, feedback, and recommendations to be incorporated into a revised draft that will be presented to the Board of Directors.

Background

In 2017, the Community Advisory Committee (CAC) first provided input on the overarching strategies that should be pursued for SCP programs. SCP published the first Programs Strategic Action Plan in January 2018. This Plan outlines the strategies and goals of our current and planned customer offers and incentives.

In 2022, SCP combined the Programs Equity Framework and the Strategic Action Plan, incorporating practical steps for developing and implementing inclusive programs. SCP has revised and updated this Strategic Action Plan to adapt to the changes, challenges, and opportunities in 2023.

To achieve SCP's mission of turning the tide on the climate crisis, programs must be impactful, scalable, accessible, and enhance customers' lives. The first step in the 2023 Strategic Action Plan is listening to customers and learning about community needs. In December 2022, the Board of Directors approved funding to conduct community needs assessments. In 2023, SCP has begun community needs

assessments for transportation and mobility needs, residential energy use and resiliency, commercial building energy use and resiliency, and agricultural energy use.

These assessments are expected to inform future strategies and plans.

The Strategic Action Plan will continue to evolve as we learn. Staff plans for this to be an iterative process, updating the Strategic Action Plan yearly in spring.

Discussion

The Programs Strategic Action Plan is attached as Attachment A to this report. The Plan is meant to be accessible and understandable to the public. It serves a resource for customers, partners, and interested parties to understand the current customer offerings and incentives and the strategic framework SCP uses to implement and propose new programs.

For this discussion, staff presents more detail and historical background about how the Strategic Action Plan is formulated. We have identified six main overarching strategies to achieve the SCP mission of turning the tide on the climate crisis through bold ideas and practical programs:

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

On the following pages, staff presents a summary for each strategy including: 1) objectives, 2) current and past programs and experiments we've run to achieve these objectives, 3) the main lessons learned to date, 4) recommended modifications to strategies and objectives. Staff then highlights the new programs and experiments we are developing or considering for the upcoming year.

It is important to note that the community needs assessments that are currently being conducted and planned for completion by the end of 2023 will further inform lessons learned, needs for modifications, and potential new programs.



Strategy 1: Electrify transportation and gas-powered equipment

Objective 1.1 Switch from gas/diesel to renewable electric personal and business vehicles

Programs/Experiments

- Drive EV incentives
- Non-Profit EV incentives
- Ride and Drive events
- Mass marketing
- EV showcases in Santa Rosa Square and various business locations
- Incentivize EV charging infrastructure through:
 - Free residential EV chargers
 - CALeVIP
 - Fast Charge for All

Lessons Learned

1. Financial literacy is critical for social equity. California law limits how much SCP can be involved in the customer's negotiation for final purchase/lease, making it difficult to ensure that low-income customers get fair prices. In many cases, the lowest income car buyers paid the highest prices, likely due to a lack of some negotiating skills.
2. End successful market transformation efforts. Rapid market expansion of availability and diversity of both new and used EVs during and following DriveEV combined with learning that people only buy cars when they need cars (obvious in retrospect), meant that it was time to end bulk discounts on EVs and shift to a more valuable and harder effort relating to charging infrastructure.
3. Adding chargers at multi-family housing, workplaces and along highways is lagging demand and proving difficult to accelerate because of costs, permitting and partnerships with utilities. Getting this right (or making it unnecessary) could unlock EVs for those who don't own a home and be better for the grid - allowing EV adoption to grow long-term.

Modifications to objective

It appears that focusing on switching from gas and diesel to electric-powered vehicles remains a useful objective. Things to remember while doing so, however, include:

- Revisiting the environmental impacts of batteries and material extraction (e.g., lithium), and recycling/disposal should be a regular practice.
- Constantly remind ourselves that EVs are not the goal so remain open to deeper and better solutions for transportation. EVs still cause traffic, create environmental impacts, release tire dust into waterways, cause fatalities, etc.
- To sustainably address the targets for electric vehicles, we must consider impacts on the electricity grid. We need to focus on encouraging daytime charging when there is less stress on the grid. Workplace charging can achieve this as well as provide renters and people unable to charge at home a reliable charging option.

Objective 1.2 Switch from car to bicycle for some trips

Programs/Experiments

-Bike Electric income-qualified \$1,000 incentives for new electric bikes (E-bikes)

Lessons Learned

1. There is a strong demand for electric bikes among lower-income residents.
2. Survey results show that the most common uses for program E-bikes were recreation and exercise; not as much for commuting.

Modifications to objective

More targeted approaches may be needed to reach those most in need of an electric bike for work or school commuting. We will try to shift focus to efforts designed to displace vehicle use such as workplace commuting.

Objective 1.3 Switch buses from diesel to renewable electric

Programs/Experiments

-Battery Electric Bus studies
-Santa Rosa CityBus sponsorship

Lessons Learned

1. Battery electric buses for schools and public transit agencies are increasingly good investments.

2. Initial planning for electric buses and installation of fast charging infrastructure for fleets continues to be a challenge.

Modifications to objective

None identified yet.

Objective 1.4 Electrify gasoline and diesel powered equipment

Programs/Experiments

-Landscape Electrification Sonoma County Fair promotion and Advanced Energy Center display

Lessons Learned

1. There are many models of electric landscape equipment available at big box and local stores already.
2. Several jurisdictions already have mandates for all electric leaf blowers or have considered it, and the California Air Resources Board requires that sales of most new landscape equipment be zero emission starting in 2024.
3. The state offers vouchers for professional and small businesses

Modifications to objective

Since the state has new mandates for small off-road engines and several jurisdictions have prohibited the use of gas-powered leaf blowers, our role should continue to be educating and promoting. Injecting funding into this category is not valuable. We will seek other opportunities for electrifying equipment, such as agricultural equipment.

Strategy 1 New programs/experiments

(See section 3.2 of Attachment A for details):

- Workplace EV charging
- Electric Bike grant program
- Landscaping promotions

Strategy 2: Accelerate building efficiency and electrification

Objective 2.1 Make buildings as efficient as possible

Programs/Experiments

-Provide education and incentives through the Advanced Energy Center
-FLEXMarket- pay incentives for measured energy savings

-Commercial Energy Assistance Program- visit commercial sites and recommend energy efficiency & electrification measures

Lessons Learned

1. There are many energy efficiency measures that can and should be employed in a building before electrifying.
2. Support for energy efficiency is still needed, and yet, interest in these projects is low despite projects being low cost. Higher cost electrification is often prioritized above energy efficiency.
3. Identifying energy efficiency measures for commercial properties may not lead to implementation due to lack of dedicated staff or staff time to oversee and manage projects.
4. Energy efficiency projects may seem complex, and the installation process may impact ordinary customers schedules and businesses operations.
5. Implementation of energy efficiency measures require contractor availability and technical expertise that is difficult to find and may be overwhelming for customers.

Modifications to objective

Focusing on energy efficiency in buildings before electrifying should continue to be an objective and should gain more visibility and programmatic effort from SCP. How is TBD.

Focus should be placed on low-income and rental properties that were built prior to the introduction of building energy codes, but this will likely require significant staff time to support the entire process.

Objective 2.2 Electrify new-build construction

Programs/Experiments

- Advanced Energy Rebuild
- Advanced Energy Build
- Reach code assistance

Lessons Learned

1. Advanced Energy Rebuild - rather than developers, individual homeowners were the applicants in most circumstances, which led to confusion regarding the technical program requirements.
2. Advanced Energy Build - funds went primarily to low-income multifamily developments. However, most of these projects were already planned to be

all-electric. Despite added incentives for induction ranges, builders installed electric resistance units to save costs.

3. Several jurisdictions passed reach codes.

Modifications to objective

Statewide programs have followed SCP's lead, with several efforts incentivizing all-electric new construction. Additionally, state energy codes are moving toward all-electric standards. Because of this momentum, SCP's role in injecting funding into new building construction may no longer be warranted.

SCP's future role may be to assist customers with accessing other programs or marketing or layering funding where there are gaps in our service territory.

Objective 2.3 Electrify existing buildings

Programs/Experiments

- Advanced Energy Center
- Electrification incentives
- Induction lending
- Government heat pump water heater incentives
- Ranger residences
- Induction lending
- 0% loan
- Multifamily panel upgrades
- SCP Electrify online tool

Lessons Learned

1. Many trade industries, locally and throughout the state, are struggling to maintain and grow their workforce. There is a lack of young people opting for these careers as others retire. The Advanced Energy Center can help support, in part, by providing educational classes and certifications to installers.
2. Incentives that were provided directly to the contractor at the time of installation were unpopular. Moving to direct customer incentives dramatically increased participation.
3. Rebates aren't reaching the rental market. Need new approach.
4. Rebate stacking with other entities can be confusing for customers. Maintaining our rebate structure, despite other funding, ensures consistency and reliability.

5. Fuel-switching from furnace to a heat pump may lead in increased electric bills, especially in the summers for those that previously did not have air conditioning and now have cooling through their heat pump.
6. Emergency replacements of water heaters and furnaces are time sensitive, such that fuel-switching is often not an option unless the contractor/installer or store vendor suggests it.
7. Electrification projects take many visits from multiple contractors over days and weeks at a time. This may be too cumbersome for residential customers who need to work and business customers that need to run their business.
8. Providing incentives for electric panel upgrades in multifamily housing is helpful but cost of equipment remains a challenge and delays by PG&E in upgrading service result in long project timelines.

Modifications to objective

Heavy emphasis on electrifying existing buildings is still needed and remains a large challenge. This work should be combined with energy efficiency upgrades.

Work force education and training should become a top priority so that there are available and knowledgeable contractors to do all the work that is needed.

Investigate direct-install programs since a significant barrier has been to help interest people follow through to completing a project.

Low income and rental properties should become more of a focus as the adoption rates for single family homes increase.

Strategy 2 New programs/experiments

(See section 4.2 of Attachment A for details):

- Mobile home park electrification

We are also investigating what would be required to launch a direct install program where SCP provided installation services for customers.

Strategy 3: Reduce peak demand and shift energy use away from 4-9pm

Objective 3.1 Automate smart devices

Programs/Experiments

-GridSavvy Rewards

- EV Chargers
- Smart Thermostats
- Heat pump water heaters

Lessons Learned

1. Most customers don't understand what a demand response program is or why it is useful. Using relatable language and tying it to the benefit to the customer yields the best success. Need to simplify.
2. Controlling smart devices only during specific called "events" is not the most beneficial application:
 - a. Smart devices like EV chargers and heat pump water heaters may be setup to cut peak loads every day, meaning they are not "available" to further cut loads during a Flex Alert or other event. Capturing the financial value of these two scenarios is not always simple.
3. Many customers feel uncomfortable allowing remote control of their smart devices.
4. The need for a reliable Wi-Fi connection excludes some customers and can pause participating customers that intermittently lose connection.
5. Providing customers with EV chargers and smart thermostats improves customer interaction and participation in GridSavvy, however does limit customer options and often does not lead to higher levels of dispatchable loads in GridSavvy.

Modifications to objective

Automating smart devices to respond to grid conditions will remain a top objective. SCP will also provide education and offerings for customers who do not want to allow us to control their devices.

Focus needs to be placed on the value these resources can bring and what level of control is most effective:

- EV charging could be managed daily.
- Water heating could be managed daily.
- Smart thermostats could be managed for events (e.g., with precooling)

Customer storage devices are a big potential opportunity for managing customer load and might be capable of displacing large-scale utility scale investments.

Objective 3.2 Influence Behavior (when customers use energy)

Programs/Experiments

-GridSavvy Rewards Alerts

Lessons Learned

1. Most customers don't understand what a demand response program is or why it is useful. Using relatable language and tying it to the benefit to the customer yields the best success.
2. Customers often are not aware of the actions they can take to reduce their energy use, so energy savings tips and customer service are an important element of success. Even with that, many customers do not feel like their actions will make a difference until they see results. The following actions help:
 - a. Earned financial rewards for participation are useful in showing customers that their efforts are appreciated and meaningful.
 - b. Providing the option to donate their rewards to a non-profit is a successful way to engage with customers.
 - c. Providing cumulative rewards at the end of the year creates a more impactful customer result than providing tiny rewards after each event.
 - d. Once customers see their results, they are excited about their impact and are grateful to receive their rewards at the end of the year.
3. Tailored communication and informational materials are valuable (e.g., Spanish speaking, non-computer, elderly).
4. Ongoing outreach and alerts to reduce energy use may cause frustration and program fatigue. Statewide Flex Alerts that may be ongoing can be seen as too great an inconvenience.
5. Incentives and rewards for metered results generally disproportionately benefits the highest electricity users while those regularly using energy before or after the peak use periods earn very low rewards.
6. The simplicity and ease of participating made this program exciting for customers, including those who had not participated in SCP programs previously.

Modifications to objective

Focusing on how and when customers use energy will become the forefront of our efforts. Customers need to understand their impacts and what they can do. Their behavior directly impacts their energy costs and will be increasingly more important as the grid evolves.

We will focus more on customer engagement and feedback in the coming years. We will provide continued education and customer support regarding how they can participate without the need for smart devices or expensive upgrades or relinquishing control of their devices to us.

Strategy 3 New programs/experiments

(See section 5.2 of Attachment A for details):

- Battery storage optimization
- Workplace charging
- Telematics

Strategy 4: Promote customer solar + battery storage for renewable energy generation and resiliency

Objective 4.1 Promote distribution scale solar (250kW-1MW)

Programs/Experiments

- Feed In Tariff (ProFIT)
- Site Leasing Interest Program (SLIP)

Lessons Learned

1. Distribution scale solar and battery projects require expertise from experienced developers and engineers. Projects that only have land and financing and no technical experts with a track record generally fail.
2. Developers of these projects <1MW often need a lot of SCP staff time to shepherd the projects. Frequently staff time for a <1MW solar array is ten times that of a project that is 20MW due to the lack of technical experience.
3. Interconnection queues and permitting timelines are often extended and can delay projects by years.
4. Aggregating local sites to utilize space for renewable energy projects has been challenging;
 - a. Sites often do not have the staff time or resources to invest on getting projects developed.
 - b. Sites have had difficulty establishing leasing terms and rates.
 - c. Site do not have sufficient expertise in renewable energy development.
5. SCP is unable to provide technical advice, construction expertise, or answer many questions without an experienced developer on board.

Modifications to objective

We have determined that given the complexity of these projects and programs, distribution scale solar projects should be led by the site owner or developer. SCP still has interest in being the off-taker of the energy, so we will continue to consider vetted projects to purchase power from.

With the Inflation Reduction Act, SCP may be able to take advantage of grants in lieu of tax credits for owning assets. Any efforts to lead these projects should be a larger procurement effort done in coordination with experienced industry professionals.

Objective 4.2 Residential solar + battery

Programs/Experiments

- Net Green +
- SGIP (Self Generation Incentive Program)
- Grid Alternatives

Lessons Learned

1. Providing a net energy metering option that is more beneficial to customers is a good retention tool. On the other hand, some customers still prefer to opt out because of advice from solar contractors or to have a more understandable bill.
2. Providing the bridge incentives and application assistance to customers and contractors upfront for solar and battery projects enables more projects and is very appreciated by solar contractors and customers.
3. Customer-owned battery storage is often operated in standby mode only, thereby providing only a fraction of the value it could to the grid.

Modifications to objective

SCP can play a role in educating customers how to get the most value out of their solar:

- Use electricity at the same time solar is producing
- Automate devices to run during peak solar output hours
- Conserve energy starting at 4 pm
- Consider storage to shift solar output into the evenings if you can't use all the solar output when it is produced.

SCP can focus outreach to customers who are low-income or medical baseline for opportunities for home battery storage. These customers could be



Staff Report - Item 11

To: Sonoma Clean Power Authority Community Advisory Committee

**From: Kate Kelly, Director of Public Relations and Marketing
April Varellas, Brand Manager**

Issue: Receive 2022 Annual Report

Date: February 16, 2023

No written materials for this report. A presentation will be given at the meeting.