



**AGENDA
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, MARCH 16, 2023
1:00 P.M.**

MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE MAY PARTICIPATE IN THE MARCH 16, 2023, MEETING AT THE LOCATIONS SHOWN BELOW.

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

**2725 EAST MINE CREEK ROAD (TELECONFERENCE LOCATION)
UNIT 1070
PHOENIX, AZ 85025**

MEMBERS OF THE PUBLIC MAY PARTICIPATE IN THE MEETING AT THE ABOVE PHYSICAL LOCATIONS OR REMOTELY THROUGH:

- Webinar link: <https://us06web.zoom.us/j/89591222887>
 - Telephone number: 1 (669) 444-9171
 - 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 locations. 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 February 16, 2023, Draft Community Advisory Committee Meeting Minutes (Staff Recommendation: Approve) **pg. 5**
2. Receive Geothermal Zone Update (Staff Recommendation: Receive and File) **pg. 13**
3. Recommend the Board Approve and Delegate Authority to the Chief Executive Officer or Designee to Execute Two Professional Services Agreements with Hiner & Partners, Inc. With a Collective Amount Not-To-Exceed of \$167,000 for Two Separate Research Efforts, the Customer Operations Satisfaction Survey and the Annual Brand Awareness Survey (Staff Recommendation: Approve) **pg. 17**
4. Recommend the Board Approve and Delegate Authority to the Chief Executive Officer or Designee to Execute an Amendment to the Contract with Keyes & Fox LLP for an Amount Not-to-Exceed \$200,000 through June 30, 2023, for Procurement and Regulatory Affairs Purposes (Staff Recommendation: Approve) **pg. 21**

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

5. Receive Internal Operations and Monthly Financial Report and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 25**
6. Receive Legislative and Regulatory Updates, Provide Feedback and Recommend Positions to the Board as Appropriate (Staff Recommendation: Receive and File) **pg. 37**
7. Review and Provide Feedback on the Draft Annual Budget for Fiscal Year 2023-2024 (Staff Recommendation: Receive and File) **pg. 45**
8. Discuss 2023 Community Advisory Committee Goals (Staff Recommendation: Receive and File) **pg. 59**

COMMITTEE MEMBER ANNOUNCEMENTS

ADJOURN

COMMONLY USED ACRONYMS AND TERMS

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

Page intentionally left blank for double-sided printing



**DRAFT MEETING MINUTES
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, FEBRUARY 16, 2023
1:00 P.M.**

CONSISTENT WITH THE PROVISIONS OF AB 2449 WHICH SUSPENDED CERTAIN REQUIREMENTS OF THE BROWN ACT, MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE PARTICIPATED IN THE FEBRUARY 16, 2023, MEETING IN PERSON AND BY REMOTE ATTENDANCE.

CALL TO ORDER

(1:02 p.m. - Video Time Stamp: 00:02:42)

Chair Morris called the meeting to order.

Committee Members present: Chair Morris, Vice Chair Quinlan, and Members Dowd, Kelly, Wells, Nicholls, Booth, and Lipp. Members Fenichel, Hollinshead and Johnson were absent with prior notice.

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Neal Reardon, Director of Regulatory Affairs; Stephanie Reynolds, Director of Internal Operations; Ryan Tracey, Director of Planning and Analytics; Kate Kelly; Director of Public Relations and Marketing; Chad Asay, Director of the Advanced Energy Center; and Carolyn Glanton, Programs Operations Manager.

Chair Morris stated that Item 10 would be heard before Item 9.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(1:04 p.m. - Video Time Stamp: 00:04:13)

Public Comment: None

COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

(1:05 p.m. - Video Time Stamp: 00:05:29)

1. Approve January 19, 2023, Draft Community Advisory Committee Meeting Minutes

2. Receive Emergency Consumer Protections for Natural Disaster in Sonoma Clean Power Authority's Service Territory
3. Approve Rescheduling the Community Advisory Committee May 2023 Meeting Date to May 11, 2023
4. Receive Legislative and Regulatory Updates
5. Recommend the Board of Directors Approve the Proposed Budget Adjustments for Fiscal Year 2022-2023

Public Comment: None

Motion to approve the February 16, 2023, Community Advisory Committee Consent Calendar by Member Dowd

Second: Member Nicholls

Motion passed by roll call vote

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

ABSENT: Fenichel, Hollinshead, Johnson

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

6. Discuss and Provide Feedback on Future Remote Meetings Pursuant to AB 2449

(1:08 p.m. - Video Time Stamp: 00:08:38)

Josh Nelson from Best, Best and Krieger LLP, Special Counsel for SCP, discussed future remote meeting rules for the Board of Directors and Community Advisory Committee (CAC). He discussed different types of remote meetings including traditional public meeting rules, modified rules pursuant to AB 361, and new guidelines pursuant to AB 2449. He stated that the rules under AB 361 would end March 1, 2023.

Member Nicholls asked if the remote locations should be accessible, per the American Disabilities Act, and Special Counsel Nelson answered that yes this is the best practice. Geof Syphers, CEO, added that the new rules apply only to Committee Members and not the public. Special Counsel Nelson said that Members must request the ability to attend remotely. CEO Syphers requested Committee Members notify the Clerk of the Board and/or himself of anticipated absences to aid with ensuring the meeting can proceed with a quorum.

Special Counsel Nelson added that a quorum of the Committee must attend from a single physical location within SCP's jurisdiction and any Member attending virtually will have to have their camera on. Vice Chair Quinlan asked if there were any additional restrictions for Members attending outside of the Continental U.S. and Special Counsel Nelson answered that there were not.

Public Comment: None

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

(1:25 p.m. - Video Time Stamp: 00:25:29)

Stephanie Reynolds, Director of Internal Operations, reminded the Committee of the upcoming tour of the Geysers Geothermal Facility. She announced Point Arena became the first city in Mendocino County to switch accounts over to EverGreen. Chad Asay, Director of the Advanced Energy Center (Energy Center), gave an update on the Energy Center and the milestones reached which included surveying customers, educating youth, and Congressional visits. Director Reynolds then spoke about the Water and Energy education program. CEO Syphers discussed the Census Tract participation report which showed customer participation rates by area in SCP territory.

Member Nicholls asked what outreach was being done regarding energy education in West Sonoma County Schools and Director Reynolds responded that she would provide him with the data. Member Dowd spoke about businesses and energy efficiency. Chair Morris stated that an energy toolkit would be useful to have at the Energy Center and CEO Syphers responded that SCP's existing toolkits can be checked out for free at local libraries.

Public Comment: None

8. 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

(1:45 p.m. - Video Time Stamp: 00:44:57)

This item was split into three separate votes and public comments on each perspective Cooperation Agreement.

Ryan Tracey, Director of Planning and Analytics, gave a background on the GeoZone and explained the Cooperation Agreements were with Chevron New Energies, Cyrq Energy Inc., and Eavor Inc. He explained that staff had put

together the three Cooperation Agreements that will allow them to demonstrate their technology and if successful, the technology will be scalable.

Member Wells asked if Lake County was included in the discussions and CEO Syphers responded that they were, but Lake County Supervisors want to understand the specifics of what is involved before considering joining the GeoZone and SCP will continue to work with them. Member Lipp asked about Federal grants for Cyrq and Director Tracey responded that they were due soon. Chair Morris asked if language regarding obtaining permits is included in the in the agreements and Director Tracey answered that permits are necessary but not a prerequisite to the agreements. Chair Morris also asked if local tribes had been brought into the discussion and CEO Syphers said that two had been in discussions with SCP, but Director Tracey explained that none of the contracts were currently contemplating projects on tribal land. Chair Morris asked if each contract anticipated scaling up to 200 MW if the pilot projects were successful and Director Tracey answered in the affirmative. Chair Morris expressed that Chevron brings a history of fossil fuels with it and CEO Syphers explained that he has communicated those same concerns with Chevron from the first meeting as well.

Motion to Recommend the Board Authorize the CEO or his Designee to Execute Geothermal Opportunity Zone (GeoZone) Cooperation Agreement with Chevron New Energies by Vice Chair Quinlan

Second: Member Wells

Public Comment: Woody Hastings raised concerns as to a contract with Chevron.

Motion passed by roll call vote

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

ABSENT: Fenichel, Hollinshead, Johnson

Motion to Recommend the Board Authorize the CEO or his Designee to Execute Geothermal Opportunity Zone (GeoZone) Cooperation Agreement with Cyrq Energy Inc. by Member Dowd

Second: Vice Chair Quinlan

Public Comment: Woody Hastings encouraged SCP to maintain engagement with stakeholders and outreach regarding the Geysers.

Motion passed by roll call vote

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

ABSENT: Fenichel, Hollinshead, Johnson

Motion to Recommend the Board Authorize the CEO or his Designee to Execute Geothermal Opportunity Zone (GeoZone) Cooperation Agreement with Eavor by Vice Chair Quinlan

Second: Member Dowd

Public Comment: None

Motion passed by roll call vote

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

ABSENT: Fenichel, Hollinshead, Johnson

9. Discuss 2023 Community Advisory Committee Goals

(2:50 p.m. - Video Time Stamp: 01:50:12)

This item was heard after Item 10.

Chair Morris opened the conversation into the Committee's goals for 2023 by asking the Committee for input. Vice Chair Quinlan requested, and Ad Hoc Committee be established to discuss further and bring recommendations back to the CAC.

Member Wells stated that this was just the beginning of the conversation. CEO Syphers clarified that the Committee should not only ask itself what SCP is not doing effectively, but also point out what is working and what should be amplified. He stated that the Committee should create milestones and take into consideration what SCP and the Committee can achieve in a current year.

Member Nicholls stated that the Committee needs to be more proactive with the community and equity and Vice Chair Quinlan stated that there should be more diverse voices on the Committee.

Chair Morris created an Ad Hoc Committee made up of Member Wells, Vice Chair Quinlan, and a third member to be appointed after the meeting to provide the opportunity to Members who were absent.

Vice Chair Quinlan requested that this item be added to the CAC Agenda in March.

Public Comment: Woody Hastings discussed community-based organizations, CCA promotion and expansion, and distributed energy resources for grid reliability.

10. Review Programs Strategic Action Plan and Provide Feedback as Appropriate

(2:17 p.m. - Video Time Stamp: 01:17:33)

This item was heard before Item 9.

Carolyn Glanton, Programs Operations Manager, presented the Draft Strategic Action Plan (the Plan) and thanked the Programs Team. She stated that the Plan was intended for SCP customers and partners and combined the equity framework, near term actions, long term goals, and strategies to address the climate crisis. She stated that the next step was to create a metric for programs. She then invited the Committee to share their ideas.

Member Lipp mentioned that the CPUC recategorized statewide new construction as market transformation over energy savings. Vice Chair Quinlan stated that SCP may want to reconsider Objective 1.4 to take into consideration the value of injecting funding and CEO Syphers stated that SCP would take that into consideration. Chair Morris stated that the GridSavvy Rewards Program e-cards option was too cumbersome, and Ms. Glanton stated that it would not be done in the future. Member Nicholls asked what the average rebate was under GridSavvy and Kimberly Beltran, Technical Programs Manager, answered that it was between \$20-\$40. Chair Morris asked if the Energy Center could explain incentives under the Inflation Reduction Act.

Public Comment: None

11. Receive 2022 Annual Report

(3:14 p.m. - Video Time Stamp: 02:14:26)

Kate Kelly, Director of Public Relations & Marketing, discussed SCP's 2022 Annual Report entitled "Powering Everyday Moments." She pointed out the highlights including Notes from the CEO, the Advanced Energy Center, Fast Charge for All, Power Procurement, Leadership, Financials, and Caring for Customers.

Member Wells asked if the Brand Awareness Survey would be repeated, and Director Kelly answered yes it would annually. Chair Morris asked how the Annual Report was distributed and Director Kelly answered that it was

distributed electronically and was available on the SCP website. Member Nicholls mentioned that the City and County of San Francisco were using QR Codes in their Annual Report to point to detailed information and this may be a good way for SCP to get more information out.

Public Comment: None

COMMITTEE MEMBER ANNOUNCEMENTS

(3:22 p.m. - Video Time Stamp: 02:22:15)

None.

ADJOURN

(3:22 p.m. - Video Time Stamp: 02:22:42)

The meeting was adjourned by unanimous consent.

Page intentionally left blank for double-sided printing



Staff Report - Item 02

To: Sonoma Clean Power Authority Community Advisory Committee
From: Ryan Tracey, Director of Planning & Analytics
Geof Syphers, Chief Executive Officer
Issue: Receive Geothermal Opportunity Zone Update
Date: March 16, 2023

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 600 MW of new geothermal capacity.

Ongoing updates, information, and materials about the GeoZone can be found at <https://sonomacleanpower.org/geozone>.

Cooperation Agreements

The Board of Directors approved moving forward with all three selected private partners: Chevron New Energies, Cyrq Energy, and Eavor Inc. The agreements have been fully executed, allowing early project development to proceed. SCP staff holds bi-weekly meetings with each partner to coordinate on site hosting opportunities, grant funding, stakeholder engagement and interconnection. SCP staff is expecting to host public stakeholder sessions in spring when additional details on the demonstration project locations and configurations will be available. A key focus in the interim is building relationships with early project stakeholders, including labor, NGOs, and the surrounding community.

Presentation to Secretary Granholm

SCP had the opportunity to present the GeoZone to Secretary of Energy Jennifer

Granholt on March 7, 2023, as part of a panel organized by the geothermal industry trade association Geothermal Rising. The Department of Energy will be an important partner in funding geothermal technologies that will be deployed in the GeoZone. Staff shared its enthusiasm for geothermal as a load serving entity: that clean firm resources like geothermal are important in providing winter reliability, which is essential to retiring California's dirtiest natural gas power plants, and are expected to provide 40% of SCP's energy needs by the end of the next decade. SCP also stressed the importance of minimizing water usage and echoed other industry comments that federal funding is not commensurate with the opportunity for geothermal technologies.

Grant Opportunities

On March 3, 2023, GeoZone partner Cyrq Energy submitted its application for funding from the Department of [Energy's Long-Duration Energy Storage Demonstrations](#) grant. Cyrq Energy proposed equipping an existing unit at the Geysers with a 20-hour duration thermal storage system that can increase plant capacity by 6 MW during high-need hours. The grant application team included SCP, the National Renewable Energy Laboratory, Babcock and Wilcox, and EthosEnergy. SCP staff provided input on the commerciality of the proposed project, proposed a framework for community benefits and a community engagement strategy, and provided letters of support from the community. SCP and Cyrq Energy are greatly appreciative of the many jurisdictions, local NGOs, and elected officials that supported the grant application. Award notifications for the grant are expected in June.

The Department of Energy released their [Bipartisan Infrastructure Law Enhanced Geothermal System Demonstration](#) grant on February 8, 2023. The grant offers federal cost share in deployment of new subsurface geothermal technologies. SCP is working with both Eavor and Chevron New Energies on potential grant applications, which are due in June.

Transmission Planning

SCP does not expect any GeoZone partners to participate in CAISO's Cluster 15 interconnection study, which requires applications by this April. However, both SCP and its partners are evaluating various interconnection strategies for GeoZone projects, including distribution service through PG&E's Wholesale Distribution Access Tariff. Staff is hopeful projects will be ready to enter PG&E's distribution queue later this year or CAISO's Cluster 16 at the latest.

At the end of last year, CAISO, CPUC, and the CEC signed a [memorandum of understanding \(MOU\)](#) to better coordinate transmission planning, the interconnection process, CEC load forecasts, and CPUC resource planning. The agreement is a good first step towards addressing the current issues with transparency, backlog of interconnection requests, and costly transmission upgrades that are impeding deployment of renewable and storage resources and risk the success of the GeoZone.

Staff is monitoring the Federal Energy Regulatory Commission's [proposed rulemaking on interconnection improvements](#) that could provide much-needed modernizations for the interconnection process. Another issue not addressed by the MOU is the performance of investor-owned utilities in delivering required transmission upgrades in a timely and cost-effective manner. CalCCA is exploring the scope of this problem and potential legislative solutions alongside the alarming issues with unusually long delays in service connections to new homes, hospitals and businesses.

The MOU demonstrates that CPUC's statewide resource portfolios are extremely influential in guiding CAISO transmission planning. In February, the CPUC [transmitted portfolios to the CAISO](#) to guide its 2023-2024 Transmission Planning Process. Although the transmitted portfolio included 2,037 MW of new geothermal resources by 2035, only 139 MW were located in the GeoZone. SCP provided comments on the CPUC's proposed mapping that requested more capacity in the GeoZone, but the CPUC did not see sufficient evidence of commerciality (although they did add 50 MW in response). Advocating the CEC and CPUC to reassess geothermal potential with new technologies, maturing GeoZone projects, submitting interconnection requests, and recruiting other load serving entities to include GeoZone capacity in their resource plans will be important strategies for achieving the required consideration in statewide transmission planning.

Page intentionally left blank for double-sided printing



Staff Report - Item 03

To: Sonoma Clean Power Authority Community Advisory Committee

From: Kate Kelly, Director of Public Relations & Marketing
Brytann Busick, Marketing & Events Manager

Issue: Recommend the Board Approve and Delegate Authority to the Chief Executive Officer or Designee to Execute Two Professional Services Agreements with Hiner & Partners, Inc. With a Collective Amount Not-To-Exceed of \$167,000 for Two Separate Research Efforts, the Customer Operations Satisfaction Survey and the Annual Brand Awareness Survey

Date: March 16, 2023

Recommended Action

Staff requests that the Community Advisory Committee recommend that the Board of Directors delegate authority to the CEO or Designee to execute two contracts with Hiner & Partners, Inc. with a collective Not-To-Exceed amount of \$167,000 for two separate research efforts, the Customer Operations Satisfaction Survey and the Annual Brand Awareness Survey, to provide Sonoma Clean Power ("SCP") with research services.

The Short Form Agreements (Attachments A & B) contain the scope of work in Exhibit A for each research effort. The Customer Operations Satisfaction Survey agreement has a not to exceed amount of \$87,000 and the Brand Awareness Survey has a not to exceed amount of \$80,000.

Background

Sonoma Clean Power has been working with Hiner and Partners, Inc. (HPI) a market research and public opinion firm, since 2020, beginning with residential focus groups. HPI has extensive experience in the utility space, including working with all three California investor-owned utilities. HPI was recommended to SCP by Peninsula Clean Energy, and is now working with a handful of fellow CCAs; creating the opportunity for SCP to compare against its peers, using like methodologies. In 2022,

SCP contracted with (HPI) to conduct a study in their service territory to monitor the awareness and familiarity of SCP among customers and non-customers. Key research findings included 40 percent SCP unaided awareness and 74 percent awareness when aided. Staff plans to repeat this brand awareness survey annually to monitor progress in moving customers to action on electrification.

SCP does not currently have research data regarding customer satisfaction with various customer touchpoints, such as the Contact Center, website, participation in customer programs and their experience with commercial account service.

Discussion

Staff recommends that the Brand Awareness research be replicated each year to track progress toward educating customers in general and to specific demographic groups. The results each year will show progress made in making more customers aware of Sonoma Clean Power, what SCP does, how electricity delivery works, gain their interest and then convert interest to action. The Brand Awareness survey will be mailed to an audience of 50,000 residential customers and residential non-customers in Sonoma and Mendocino counties (approximately 25,000 recipients for each county.)

Staff also recommend expanding research to a monthly measurement of satisfaction and the overall experience and service level with various interactions with customers. This new research effort will allow SCP to monitor customer experiences with the key interactions which comprise SCP's operational plan for pre-selected touchpoints including the SCP website, contact center, customer program sign-up process, and commercial account management. The operational plan includes the slate of experiences SCP managers have designed. This new, ongoing research effort will report how often customers fail to experience what was intended, and the impact such failures have on satisfaction with that touchpoint. This additional detail will help diagnose the reasons for any shortcomings in satisfaction that are found. SCP will receive information monthly via a live dashboard, leading to the development of quarterly and yearly comparative analyses.

Because of the existing relationship SCP has with HCI and the satisfactory work performed to date, SCP wishes to continue working with Hiner and Partners, Inc. on additional market research and transactional survey instruments.

Fiscal Impact

The proposed contract has a not-to-exceed amount of \$167,000 over a one-year period. Funds for this research effort are contained in the Marketing budget.

Attachments

- Attachment A - Draft Professional Services Agreement with Hiner & Partners, LLC and Scope of Services (Exhibit A) for Brand Awareness Survey, available at [this link](#) or by request to the Clerk of the Board
- Attachment B - Draft Professional Services Agreement with Hiner & Partners, LLC and Scope of Services (Exhibit A) for Customer OPS Survey, available at [this link](#) or by request to the Clerk of the Board

Page intentionally left blank for double-sided printing



Staff Report - Item 04

To: Sonoma Clean Power Authority Community Advisory Committee

From: Deb Emerson, Managing Director

Issue: Recommend the Board Approve and Delegate Authority to the Chief Executive Officer or Designee to Execute an Amendment to the Contract with Keyes & Fox LLP for an Amount Not-to-Exceed \$200,000 through June 30, 2023, for Procurement and Regulatory Affairs Purposes

Date: March 16, 2023

Requested Board Action

Staff requests that the SCP Community Advisory Committee recommend the Board of Directors delegate authority to the Chief Executive Officer or Designee to execute an amendment to the contract with Keyes & Fox LLP to add \$115,000 to the not-to-exceed amount, for a new not-to-exceed amount of \$200,000 through June 30, 2023, to include ongoing negotiations for procurement related contracts and legal services pertaining to regulatory affairs.

Background

SCP has been working with the legal firm Keyes & Fox for procurement contracts since the Agency's inception. Keyes & Fox is the firm SCP chose to work with our very first renewable energy contracts executed. With the increasing procurement mandates by the CPUC and SCP's goals of building a cleaner portfolio, we are in negotiations with multiple parties for various projects scheduled to come online in the next three years. To continue good faith negotiation efforts, SCP will need additional time and funds to secure legal representation to advise SCP through these complex negotiations. SCP's latest contract was effective July 1, 2022, for fiscal year 22/23 in the amount of \$85,000.

Attachments

- Draft Amendment of Legal Services Agreement with Keyes & Fox LLP

AMENDMENT NO. 1
TO LEGAL SERVICES AGREEMENT
BETWEEN
SONOMA CLEAN POWER AUTHORITY
AND
KEYES & FOX LLP

This Amendment No. 1 to Legal Services Agreement (“Amendment No. 1”) is made and entered into as of this 6th day of April, 2023, by and between Sonoma Clean Power Authority (“SCP”) and Keyes & Fox LLP (“Attorney”). SCP and Attorney are sometimes individually referred to as “Party” and collectively as “Parties.”

Recitals

- A. Original Agreement. The Parties have entered into an agreement entitled “Legal Services Agreement” dated July 1, 2022, (“Original Agreement”), which is incorporated herein by reference as if fully set forth herein, for the purpose of Authority retaining Attorney to provide the Services set forth therein.
- B. Amendment Purpose. SCP and Attorney wish to amend the not-to-exceed amount in the Original Agreement from \$85,000 to \$200,000 in order to continue ongoing procurement contract negotiations.
- C. Amendment Authority. This Amendment No. 1 is authorized pursuant to Section 11 of the Original Agreement.

Amendment

Now therefore, the Parties hereby modify the Original Agreement as follows:

- 1. Definitions. All capitalized terms used in this Amendment No. 1 not defined in this Amendment No. 1 shall have the same meaning as set forth in the Original Agreement if defined in the Original Agreement.
- 2. Replace Section. Section 2 of the Original Agreement hereby replaced with:

Section 2. Compensation; Payment Terms

- (a) Compensation to Attorney for services shall not exceed two hundred thousand dollars (\$200,000). Only Attorneys or other legal staff expressly identified in Exhibit A, at the rates specified therein are eligible for compensation under this Agreement, except as expressly agreed to in advance by SCPA in writing.
- (b) SCPA agrees to make monthly payments, based on invoices received for services satisfactorily performed, and for authorized reimbursable expenses. Payment terms are Net Thirty (30) days, upon receipt of an invoice that complies with all the requirements of this Agreement. Without limiting the foregoing, Attorney (1) acknowledges that its failure to submit an invoice within sixty (60) days of the occurrence of the event to which a charge contained therein relates is an express condition precedent to any right it may have to payment in connection therewith, and (2) hereby stipulates that Attorney’s failure to strictly comply with such condition precedent is a waiver and release of any right Attorney might otherwise have to payment in connection therewith.

- 3. Continuing Effect of Agreement. All provisions of the Original Agreement otherwise remain in full force and effect and are reaffirmed. From and after the date of this Amendment No. 1, whenever the term “Agreement” appears in the Original Agreement, it shall mean the Original Agreement as amended by this Amendment No. 1.
- 4. Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment No. 1.
- 5. Severability. If any portion of this Amendment No. 1 is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

SONOMA CLEAN POWER AUTHORITY

KEYES & FOX LLP

Approved By:

Approved By:

 Michael Koszalka,
 Chief Operating Officer

 Kevin Fox
 Partner

 Date

 Date

Approved as to form:

 General Counsel

Page intentionally left blank for double-sided printing



Staff Report - Item 05

To: Sonoma Clean Power Authority Community Advisory Committee

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

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

Date: March 16, 2023

TELENOVELA - POR EL MAÑANA

Following a suggestion from customers in Sonoma Clean Power's Spanish language focus groups conducted last year, a telenovela has been created to help SCP connect with the Spanish-speaking community on a cultural level. Told through the story of the Lopez family who buys a home and begins a journey to reduce their carbon emissions, season one of "Por El Mañana" debuted at a movie premier-themed event at the Advanced Energy Center in late February. The eight-episode season is being released one episode at a time on SCP's website, and through SCP's social media channels. A companion radio component will run on Sonoma County Spanish radio stations and will stream in Spanish on Pandora in Mendocino County. Various media outlets have written about the event and telenovela, including *Impulso News*. Stay tuned to see what happens to the Lopez family next!

ADVANCED ENERGY REBUILD

Advanced Energy Rebuild (AER) was an effort led by SCP in response to the devastating 2017 wildfires in our region. The program was designed to help affected homeowners rebuild more efficiently and resiliently through design assistance, incentives for above-code performance, and bonus rebates for battery storage installation.

Through an innovative partnership with PG&E and the Bay Area Air Quality Management District (BAAQMD), AER was able to provide \$7,500 for an efficient

mixed-fuel home and \$12,500 for an all-electric home, along with a \$5,000 bonus for installing combined battery and solar power.

The application period for the program closed in June 2020, with all final project documentation due by November 15, 2022. In all, 346 homes participated in the program, including 228 single-family residences, 96 multi-family units, and 21 accessory dwelling units (ADUs). A total of \$3.5 million was provided to these projects, including \$2 million from Sonoma Clean Power.

An Advanced Energy Rebuild home performs an average of 24% better than the energy code requirement and over 30% were built all-electric, compared to 1-2% statewide. Additionally, 42% of projects installed solar with battery back-up, providing resiliency during outages and future potential grid benefits. Combined, these projects represent one megawatt of solar generation and 1.7 megawatt-hours of battery storage capacity.

CALPINE COMMUNITY BENEFITS GRANT PROGRAM

The Calpine Community Benefits Grant Program, in partnership with Calpine Energy Solutions, provides grant funding to organizations in the communities that SCP serves to help advance clean energy, green jobs, environmental education and stewardship, and equity and diversity. Calpine awards funding and collaborates with SCP on the grant guidelines and to promote the program. Both work together to assess applications. Awards will range from \$5,000 to \$20,000 and SCP has a total of about \$75,000 to award.

Eligible organizations must be an IRS-designated 501c3 nonprofit. Those not permitted to apply include political action committees, trade associations, government entities, or political candidates.

Qualifying projects must fall within the outlined priority focus areas:

- Advancement of renewable energy research and planning
- Energy and environmental education
- Clean energy in disadvantaged communities
- Green workforce development

There will be a Community Benefits Grant Program webinar that will be held via Zoom on April 18, 2023, at 10:00 a.m. Information about how to join will be available

on SCP's website. Interested applicants can learn more about the process to apply and grant requirements.

Applications will be available to download from Sonoma Clean Power's website from April 3, 2023 - 5:00 p.m. and close at 5:00 p.m. May 12, 2023.

MONTHLY COMPILED FINANCIAL STATEMENTS

The year-to-date change in net position is greater than projections. Year-to-date revenue from electricity sales is slightly under budget by less than 1% and cost of energy is under budget projections by less than 1%. Year-to-date electricity sales reached \$168,600,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$167,090,000, which indicates healthy growth as SCP continues to make progress towards its reserve goals. Approximately \$95,207,000 is set aside for operating reserves.

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, as well as the budget amendments approved in March 2023.

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 slightly under budget by approximately 1% at the end of the reporting period.

The cost of electricity is less than the budget-to-date by approximately less than 1%. Variation in this account is typically due to fluctuating market cost of energy on open position purchases.

Major operating categories of Data Management fees and PG&E Service fees are based on the customer account totals and are closely aligned to budget.

In addition to the items mentioned above, SCP continues its trend of remaining near or under budget for most of its operating expenses.

ATTACHMENTS

- January 2023 Financials

UPCOMING MEETINGS

- Board of Directors - April 6, 2023
- Community Advisory Committee - April 20, 2023
- Board of Directors - May 4, 2023
- Community Advisory Committee - May 11, 2023 (off-regular schedule)



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Sonoma Clean Power Authority

Management is responsible for the accompanying budgetary comparison schedule of Sonoma Clean Power Authority (a California Joint Powers Authority) for the period ended January 31, 2023, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

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

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

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

Maher Accountancy

San Rafael, CA
March 2, 2023

**SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Seven Months Ended January 31, 2023**

	2022/23 YTD		2022/23 YTD		2022/23 YTD		2022/23 YTD	
	Amended Budget	Actual	Amended Budget	Variance (Under)	Over	Actual / Amended	Amended Budget	2022/23 Amended Budget Remaining
REVENUE AND OTHER SOURCES:								
Electricity (net of allowance) *	\$ 169,943,565	\$ 169,023,143	\$ (920,422)			99%	\$ 279,200,000	\$ 110,176,857
Evergreen Premium (net of allowance)	1,505,217	1,524,117	18,900			101%	2,389,000	864,883
CEC Grant	307,275	85,931	(221,344)			28%	1,414,000	1,328,069
Investment income	538,282	601,962	63,680			112%	1,488,000	886,038
Miscellaneous Income	170,833	11,320	(159,513)			0%	1,025,000	1,013,680
Total revenue and other sources	<u>172,465,172</u>	<u>171,246,473</u>	<u>(1,218,699)</u>			<u>99%</u>	<u>285,516,000</u>	<u>114,269,527</u>
EXPENDITURES AND OTHER USES:								
CURRENT EXPENDITURES								
Cost of energy and scheduling	123,830,577	123,562,685	(267,892)			100%	193,510,000	69,947,315
Data management	1,547,041	1,537,495	(9,546)			99%	2,677,000	1,139,505
Service fees- PG&E	575,019	575,426	407			100%	979,000	403,574
Personnel	4,196,661	4,171,458	(25,203)			99%	7,650,000	3,478,542
Energy Center, marketing & communications	1,344,790	1,116,986	(227,804)			83%	2,951,000	1,834,014
Customer service	142,425	114,938	(27,487)			81%	291,000	176,062
General and administration	670,640	636,245	(34,395)			95%	1,190,000	553,755
Legal	177,637	123,905	(53,732)			70%	430,000	306,095
Regulatory and compliance	173,823	147,542	(26,281)			85%	460,000	312,458
Accounting	159,167	173,900	14,733			109%	258,000	84,100
Legislative	76,667	56,000	(20,667)			73%	220,000	164,000
Other consultants	277,084	198,746	(78,338)			72%	746,000	547,254
Industry memberships and dues	339,285	318,823	(20,462)			94%	560,000	241,177
Program implementation	1,565,024	915,364	(649,660)			58%	5,456,000	4,540,636
Program - CEC grant	1,263,181	842,705	(420,476)			67%	4,180,000	3,337,295
Total current expenditures	<u>136,339,021</u>	<u>134,492,218</u>	<u>(1,846,803)</u>			<u>99%</u>	<u>221,558,000</u>	<u>87,065,782</u>
OTHER USES								
Capital outlay	146,797		(90,338)			38%	600,000	543,541
Total Expenditures, Other Uses	<u>136,485,818</u>	<u>134,548,677</u>	<u>(1,937,141)</u>			<u>99%</u>	<u>222,158,000</u>	<u>87,609,323</u>
Net increase (decrease) in available fund balance	<u>\$ 35,979,354</u>	<u>\$ 36,697,796</u>	<u>\$ 718,442</u>				<u>\$ 63,358,000</u>	<u>\$ 26,660,204</u>

* Represents sales of approximately 1,315,000 MWh for 2022/23 YTD actual.

	Current Balance	Long-Term Targeted	% of Long-Term Target
RESERVES			
Operating Reserve (as of June 30, 2022)	<u>\$ 95,207,000</u>	<u>\$ 169,962,000</u>	<u>56%</u>

SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
Seven Months Ended January 31, 2023

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 36,697,796
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(791,020)
Add back capital asset acquisitions	<u>56,459</u>
Change in net position	<u><u>\$ 35,963,235</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 January 31, 2023, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

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

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

Maher Accountancy

San Rafael, CA
March 2, 2023

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of January 31, 2023

ASSETS

Current assets

Cash and cash equivalents	\$ 34,363,772
Accounts receivable, net of allowance	31,631,188
Other receivables	3,308,362
Accrued revenue	13,798,952
Prepaid expenses	8,963,605
Deposits	14,303,101
Investments	60,337,937
Total current assets	<u>166,706,917</u>

Noncurrent assets

Land	860,520
Capital assets, net of depreciation	18,008,046
Deposits	846,256
Total noncurrent assets	<u>19,714,822</u>
Total assets	<u>186,421,739</u>

LIABILITIES

Current liabilities

Accrued cost of electricity	12,028,360
Accounts payable	794,648
Advanced from grantors	3,074,682
Other accrued liabilities	2,723,772
User taxes and energy surcharges due to other governments	710,483
Total current liabilities	<u>19,331,945</u>

NET POSITION

Investment in capital assets	18,868,566
Unrestricted	148,221,228
Total net position	<u>\$ 167,089,794</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Seven Months Ended January 31, 2023

OPERATING REVENUES	
Electricity sales, net	\$ 167,075,747
Evergreen electricity premium	1,524,117
Grant revenue	85,931
Total operating revenues	168,685,795
 OPERATING EXPENSES	
Cost of electricity	123,562,685
Contract services	4,884,272
Staff compensation	4,171,458
Other operating expenses	1,014,970
Program rebates and incentives	858,833
Depreciation	791,020
Total operating expenses	135,283,238
Operating income (loss)	33,402,557
 NONOPERATING REVENUES (EXPENSES)	
Grant revenue	1,958,716
Investment earnings (loss)	601,962
Nonoperating revenues (expenses), net	2,560,678
 CHANGE IN NET POSITION	
Net position at beginning of period	131,126,559
Net position at end of period	\$ 167,089,794

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS Seven Months Ended January 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 165,608,165
Receipts from grantors	3,828,558
Other operating receipts	3,431,265
Payments to electricity suppliers	(143,815,105)
Payments for other goods and services	(6,594,917)
Payments for staff compensation	(4,056,916)
Tax and surcharge payments to other governments	(2,067,653)
Payments for program rebates and incentives	(2,328,017)
Net cash provided (used) by operating activities	<u>14,005,380</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Grant revenue	<u>1,958,716</u>
---------------	------------------

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(169,233)</u>
------------------------------------	------------------

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	465,367
Purchase of certificates of deposit	<u>(25,000,000)</u>
Net cash provided (used) by investing activities	<u>(24,534,633)</u>

Net change in cash and cash equivalents	(8,739,770)
Cash and cash equivalents at beginning of year	<u>43,103,542</u>
Cash and cash equivalents at end of period	<u>\$ 34,363,772</u>

SONOMA CLEAN POWER AUTHORITY

**STATEMENT OF CASH FLOWS (continued)
Seven Months Ended January 31, 2023**

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

Operating income (loss)	\$ 33,402,557
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	791,020
Revenue adjusted for provision for uncollectible accounts	1,656,685
(Increase) decrease in:	
Accounts receivable	(6,383,966)
Other receivables	(1,664,039)
Accrued revenue	(367,143)
Prepaid expenses	(6,002,362)
Deposits	(8,840,120)
Increase (decrease) in:	
Accrued cost of electricity	(3,297,334)
Accounts payable	(509,019)
Advanced from grantors	3,074,682
Accrued liabilities	534,351
User taxes due to other governments	35,068
Supplier security deposits	1,575,000
Net cash provided (used) by operating activities	<u>\$ 14,005,380</u>



Staff Report - Item 06

To: Sonoma Clean Power Authority Community Advisory Committee

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

Issue: Receive Legislative and Regulatory Updates, Provide Feedback and Recommend Positions to the Board as Appropriate

Date: March 16, 2023

Requested Action

Receive legislative and regulatory updates, provide feedback, and make recommendations for legislative positions to the Board of Directors as appropriate.

Regulatory Updates

Diablo Canyon Power Plant Allowed to Operate While Renewal Request is Reviewed

On March 3rd, the Nuclear Regulatory Commission authorized PG&E to continue operating Diablo Canyon Power Plant while the agency considers the power plant's expected license renewal application. Diablo Canyon consists of two nuclear generation units with a total capacity of 2,240 MW. The license for Unit 1 is due to expire in December of 2024 and the second in August of 2025. The licenses will remain in effect if the utility submits an application for renewal by December 31st of this year. If this request is granted, Diablo Canyon may continue to operate for an additional 20 years. Agency staff reasoned that this exemption from regular requirements was justified given the reliability challenges facing California's grid.

California Public Utilities Commission to Host Workshop Evaluating Impacts of Fast-Trip Outages

CPUC President Alice Reynolds announced that the Commission will host a workshop to better understand the customer impacts from fast-trip or "enhanced public safety shutoffs" on March 17th. This comes in response to a Motion jointly submitted by

Sonoma Clean Power, Marin Clean Energy, East Bay Community Energy, Pioneer Community Energy, and the Rural County Representatives of California. That Motion requesting that the Commission open a proceeding to evaluate the impacts of Fast-Trip and increase transparency was not acted upon. However, many stakeholders - including the Counties of Marin, Napa, San Luis Obispo, and Sonoma, as well as the City of Santa Rosa submitted letters in support.

The workshop agenda provides time for the filing parties to outline impacts of outages and proposed solutions. Following this, it directs the utilities to any specific questions on the causes of outages, solutions available to customers, criteria to active fast-trip outages, processes for improvement, and how to make outage information public.

Sonoma Clean Power staff will continue to advocate that utilities provide the public and safety partners with detailed information about where fast-trip circuits are located, which customers they impact, and the criteria they use for triggering outages.

Legislative Update

SCP staff and CalCCA is now actively working to analyze about 100 bills, and will likely begin recommending positions in the April Board and Committee meetings. Key themes in this year's bills, hearings and legislative conversations include:

Affordability. With the escalation of electricity and gas costs over the past year, the legislature is interested in affordability and both the Senate and Assembly have held hearings on the topic. Valley Clean Energy, the CCA serving Yolo County, presented in the Assembly on their agricultural demand response program for helping farmers time their irrigation to offset energy costs, and East Bay Community Energy serving Alameda County presented in the Senate on the CCAs who have issued municipal debt to prepay renewable supply contracts and lower rates. The CPUC was also ordered to provide the bi-annual climate credit early this year to help offset one month of heating costs, however, the state's financial support for customers who have been totally unable to pay energy bills under the CAPP program is ending.

Remote meetings. SB 411 (Portantino) would allow fully remote meetings for bodies whose members are appointed. It looks like the intent is to apply to advisory type committees only and likely not cover SCP's Board of Directors meetings. The Board of Directors delegated authority to the CEO to support bills like SB 411 that allow more flexible use of remote meetings so long as robust public participation is allowed.

Utility service extensions & failure to maintain transmission and distribution system. Due to PG&E recently surprising dozens of cities and counties with extremely long

timelines (sometimes many years) to connect new homes and businesses, and similarly long timelines for connecting new generation and storage resources, nine bills have been introduced on the topic:

- AB 50 (Wood) SUPPORT. Staff worked with the Board Chair and Vice Chair to take an early support position on Assembly Member Jim Wood's AB 50 prior to its first committee. The bill sets interconnection timelines for new and existing electric customers. Promotes more efficient distribution planning. Increases communication between IOUs, local governments and state government. See attached letter.
- AB 643 (Berman) timeliness for interconnection of customer-owned solar and storage resources, reporting obligations and a new ability for the CPUC to fine IOUs for failing to meet timelines.
- AB 772 (Jackson) timeliness for interconnection of residential EV charging infrastructure.
- AB 914 (Friedman) Sets a maximum two-year timeline for state agencies to complete the review and permitting for electrical infrastructure below 200 kV
- AB 1293 (Irwin) interconnection spot bill.
- AB 1623 (Muratsuchi) interconnection spot bill.
- SB 83 (Wiener) establishes a timeline for interconnection and reporting requirements for interconnection delays.
- SB 319 (McGuire) transmission interconnection spot bill.
- SB 410 (Becker): Reporting on interconnection response times for solar, EV charging, building electrification, and panel upgrades.

Questions About PG&E's Viability. In addition to the above bills on interconnection, a number of lawmakers expressed deep concerns over PG&E's financial situation, noting that it appears that PG&E may be unable to raise the necessary capital to undertake all its legally-required obligations relating to reducing fire risks, transmission and distribution planning and interconnections of homes and resources. SCP and other CCAs asked lawmakers to please request the CPUC to ask PG&E for a full financial audit of its current status and capabilities to service its franchise obligations.

System reliability. A number of bills are seeking to address system reliability, including SB 420 (Becker) and SB 422 (Portantino) focusing on facilitating the permitting of new transmission lines, and AB 538 (Holden) working on regionalizing the CAISO

transmission operations. Assemblymember Muratsuchi also introduced AB 1538 to encourage development of clean capacity resources, and this bill is sponsored by CPA, the CCA serving Los Angeles County.

CEQA reform. Governor Newsom is speaking out against situations where the state's environmental review process has been used to block or slow the construction of student housing, affordable housing, homeless shelters and similar situations. Senator Wiener is considering preventing the use of CEQA to challenge projects due to the type of people who will live or work in the development (e.g., students, low-income families, or previously unhoused people). Several lawmakers have also observed that key projects for achieving the state's climate goals are at risk of delays due to the CEQA lawsuits with examples of closing oil wells and constructing electric transmission lines for new renewable power.

Governor's Budget Change Proposal

The Governor's current budget change proposal currently contains a large number of new energy policies, including central procurement, additional resource adequacy penalties, and expanded CPUC jurisdiction over CCA resources.

- *Central Procurement.* The proposal clarifies that all electric customers in California would pay for State-procured reliability resources (likely Salton Sea geothermal and offshore wind) financed by the Department of Water Resources, even if their electric provider has already purchased equivalent resources.
- *Additional resource adequacy penalties.* The budget change proposal also would create additional fines on top of the CPUC penalties for failing to procure all of an electric provider's mandatory resource adequacy. The extra fines would provide additional funding to the State's Department of Water Resources to be used to build new capacity resources as part of the State's new "Strategic Reserve." This is problematic for CCAs because the CPUC has ordered the IOUs to procure excess resource adequacy, which has diminished the available resources below the level at which all providers can be compliant. So if these additional penalties were in place today, a number of providers would have to pay them in 2023 regardless of their efforts to be compliant.
- *CPUC jurisdiction over IRP.* The Governor's proposed expanded CPUC jurisdiction is problematic because it could be used to order SCP to abandon our climate targets and procure additional unneeded fossil resources or to select Salton Sea geothermal power over local GeoZone geothermal, for example. The proposal converts the existing Integrated Resource Plan process

to an enforceable procurement plan where any modifications to SCP's procurement relative to SCP's adopted IRP could be penalized, preventing SCP from protecting customers from unreasonable market pricing (e.g., if every electric provider tries to buy the same limited resource), and preventing adjustments based on actual permitting progress and other factors. The concern is that this would significantly increase rates without providing any additional assurance of system reliability.

Clean Transportation. AB 241 (Reyes) and SB 84 (L. Gonzalez) are working to reauthorize the CEC's Clean Transportation Program. Additional transportation electrification and charging infrastructure bills include AB 6 (Friedman), AB 463 (Hart), AB 591 (Gabriel), AB 772 (Jackson), AB 1267 (Ting), AB 1349 (Irwin), AB 1504 (McCarty), AB 1525 (Bonta), AB 1529 (Gabriel), AB 1580 (Carrillo), AB 1614 (Gabriel), SB 30 (Umberg), SB 233 (Skinner), SB 397 (Wahab), SB 507 (Gonzalez), SB 529 (Gonzalez), SB 823 (Smallwood-Cuevas).

Offshore Wind and Geothermal. AB 3 (Zbur), AB 80 (Addis), AB 344 (Wood) and SB 286 (McGuire) on offshore wind, AB 326 (Alanis) on geothermal.

As the spot bills are filled with details, staff will work to analyze the highest priority bills in advance of the April and May Board meetings. The statewide CCA trade association, CalCCA, is the core resource for coordinating the analysis and advocacy on state legislation.

Attachments

- Attachment A - AB 50 (Wood) SCP Support Letter March 2023



431 E Street
Santa Rosa, CA 95404
sonomacleanpower.org

March 10, 2023

The Honorable Eduardo Garcia, Chair
Assembly Utilities and Energy Committee
1020 N Street, Room 408A
Sacramento, CA 95814

Re: AB 50 (Wood) Interconnectivity Times and Distribution Planning - SUPPORT

Dear Assemblymember Garcia:

Sonoma Clean Power (SCP) is pleased to support of AB 50 (Wood), which will improve interconnectivity timelines for new and existing electric customers, promote more efficient distribution planning, and increase communication between large electric corporations, local governments, and the state government.

Interconnectivity delays are increasingly becoming a severe impediment to growth across California. Existing customers requesting system upgrades to meet increased demand and customers seeking new connections to developments are seeing significant spikes in their wait-times for interconnectivity. Large electric corporations are issuing written commitments to serve - also known as "will-serve letters" - only to later inform developers after they have paid the corporation that it may be several months or even years before interconnectivity will be completed. These delays do not discriminate by sector: residential, commercial, industrial, agricultural customers have all been impacted. These delays pose a serious obstacle to business development and threaten our state's ability to reach its housing and climate change goals.

Most recently the 500,000 square foot industrial Shiloh Business Park expansion in the Town of Windsor was informed that PG&E could not provide a connection any time soon, nor provide an estimate of when a connection will be possible.

AB 50 (Wood) will address this complex issue by promoting transparency and accountability in the process of applying for electric interconnectivity. This bill directs large electric corporations to reevaluate and update as necessary their planning processes. Lastly, AB 50 (Wood) requires electric corporations communicate with local governments and the state government regarding capacity constraints for purposes of more efficient planning.

Thank you for your consideration and we would appreciate your support of AB 50 (Wood) when it is heard in the Assembly Utilities and Energy Committee.

Sincerely,

A handwritten signature in black ink, appearing to read "Geof Syphers", enclosed within a large, loopy oval flourish.

Geof Syphers, CEO

cc: Members of the Assembly Utilities and Energy Committee
The Honorable Jim Wood

Page intentionally left blank for double-sided printing



Staff Report - Item 07

To: Sonoma Clean Power Authority Community Advisory Committee

From: Mike Koszalka, COO
Geof Syphers, CEO
Chris Golik, Revenue Manager

Issue: Review and Provide Feedback on the Draft Annual Budget for Fiscal Year 2023-2024

Date: March 16, 2023

Recommendation

Review and provide feedback on the Draft Fiscal Year 2023-2024 Annual Budget and rates.

Summary

Staff propose a draft budget and rates for Fiscal Year 2023-2024 from July 1, 2023 through June 30, 2024 that:

- Requires no rate changes at the start of the fiscal year on July 1, 2023
- Maintains SCP customer total electric bills approximately 5% below PG&E's bundled service total electric bills
- Projects overall expenses to increase by less than inflation (0.6% above FY22-23)
- Projects an increase in financial reserves sufficient to meet SCP's long-term target
- Assumes a rate decrease when the long-term reserve target is achieved

Background

Staff presents a draft budget for Fiscal Year 2023-2024 that continues to fulfill SCP's adopted goals for providing electricity from very low greenhouse gas sources, investing in local renewables, operating the Advanced Energy Center and delivering a broad set of programs and services with an increasing focus on historically underserved communities.

From the outset, SCP has held a high standard for its operations - usually far in advance of State requirements, such as creating EverGreen in 2014, the nation's first electric supply that provides 100% local renewable energy 24/7 without any reliance on fossil energy sources for any purpose.

From its inception until early 2020, SCP had been able to provide customers lower overall bills each year. This was achieved by offering significantly lower electric generation rates to all customer classes in order to more than offset PG&E's Power Charge Indifference Adjustment (PCIA) fee. These low generation rates have resulted in tens of millions in customer bill savings since 2014. From May 2020 through March 2022, SCP had to set rates slightly above PG&E to cover most expenses, with the premium ranging up to 5% of total electric bills. SCP was able to eliminate that premium in April of 2022, and began providing a 5% savings on total electric bills again with the rate adjustment on February 1, 2023.

Once SCP's long-term financial reserves target is met - likely by the end of 2023 - SCP may be in a good position to provide additional savings to customers, while continuing to supply much cleaner power and quality customer programs.

It is important to note that this forecast is based on the best information available at this time, and that the PCIA fee is extremely difficult to forecast for several reasons. First, the PCIA can be influenced by PG&E's decisions, for example, whether to offer excess resource adequacy (RA) into the market or not. Those decisions impact the PCIA fee on our customers and are made solely at the discretion of the investors of a company that has a history of working to oppose CCAs. Second, the regulatory rules of how the PCIA is calculated can change rapidly and may continue to change over the coming years. And finally, the PCIA is highly dependent on the market price of natural gas, which itself fluctuates significantly with the commodity price, and natural gas prices are affected by regional and world events (e.g., Texas ice storm, Russia's war on Ukraine, winter temperatures, pipeline disruptions, etc.). For these reasons, staff will regularly update the Committee and Board on the PCIA as new information becomes available.

Budget Overview

The Fiscal Year 2023-2024 draft budget and rates presented in this item seek to:

- Continue to procure a supply portfolio of electricity generation that is lower in greenhouse gas emissions than PG&E's portfolio
- Emphasize customer programs that help cut the use of gasoline, diesel, propane and natural gas, as these actions are the fastest and least expensive ways to cut greenhouse gas emissions today
- Expand customer outreach through improved market research and listening to our various communities
- Expand community education activities
- Increase emphasis on serving historically underserved communities in SCP's customer offers and incentives
- Promote the Advanced Energy Center and further develop the Center into an even more valuable community resource
- Maintain the current overall level of customer participation and expand customer participation in EverGreen

DRAFT BUDGET

The draft budget is presented first in the form that will be used for adoption in May, and then is followed by supplemental information. The budget categories are intentionally general enough to allow some measure of staff discretion, without requiring frequent budget adjustments.

	Revised Budget FY22-23	Proposed Budget FY23-24	Comments
REVENUES & OTHER SOURCES			
Electricity Sales ¹ (net of allowance)	\$279,200,000	\$ 243,952,000	SCP customer savings of approximately 5% on total electric bills until reserves target is reached
EverGreen Premium ² (net of allowance)	2,389,000	2,689,000	Improved participation
CEC Grant Proceeds	1,414,000	470,000	CEC grant ending
Miscellaneous Income	1,025,000	2,058,000	Revised timing of CPUC funds for program implementation
Investment Income	1,488,000	3,540,000	Rising interest rates and increased reserves
Total Revenues	285,516,000	252,709,000	
EXPENDITURES			
Product			
Cost of Energy & Scheduling ³	193,510,000	193,762,000	Stable outlook due to SCP's existing contracts
Data Management	2,677,000	2,680,000	
Service Fees to PG&E	979,000	990,000	
Product Subtotal	197,166,000	197,432,000	
Personnel	7,650,000	8,346,000	See details in write-up
Energy Center, Mktg & Comm	2,951,000	3,061,000	Increased market/customer research, targeted and segmented marketing, 10 year retrospective
Customer Service	291,000	220,000	Reclassification of community support to Energy Center, Mktg & Comm and less required noticing
General & Administration	1,190,000	1,360,000	Reclassification of AEC rent when CEC grant ends and increased building maintenance
Other Professional Services			
Legal	430,000	475,000	CPUC procurement mandate and GeoZone contracts
Regulatory & Compliance	460,000	460,000	
Accounting	258,000	309,000	New contract and California Arrearage Payment Program (CAPP) audit
Legislative	220,000	220,000	
Other Consultants	746,000	624,000	CalCCA hiring consultants and less technical consulting
Other Professional Services Subtotal	2,114,000	2,088,000	

	Revised Budget FY22-23	Proposed Budget FY23-24	Comments
EXPENDITURES – continued			
Industry Memberships & Dues	560,000	645,000	Increases for CalCCA trade association and CC Power joint powers authority
Programs			
Program Implementation ⁴	5,456,000	8,101,000	See Programs Strategic Action Plan for details
CEC Grant Program ⁵	4,180,000	1,712,000	CEC grant ending
Programs Subtotal	9,636,000	9,813,000	
Total Expenditures	221,558,000	222,965,000	
Revenues Less Expenditures	63,958,000	29,744,000	
OTHER USES			
Capital Outlay	600,000	600,000	
Total Expenditures, Other Uses	222,158,000	223,565,000	
Net Increase/(Decrease) in Fund Balance	\$ 63,358,000	\$ 29,144,000	

Notes on the Draft Budget Table:

1. Revenues from electricity sales are net of the allowance for uncollectible accounts, estimated to be 2.1%.
2. The EverGreen premium covers the incremental cost of EverGreen power above the cost for CleanStart. The rest of the revenues for EverGreen customers appears in the Electricity Sales line item.
3. The Cost of Energy and Scheduling includes NetGreen costs, ProFIT payments, California ISO fees and scheduling as well as all energy and capacity costs.
4. Funds approved by the Board to be loaned to customers through 0% on-bill financing, and funds paid back to SCP, are treated as balance sheet items and are not on the income statement.
5. The difference between the CEC grant proceeds and grant expenses is SCP's cash portion of the matching funds.

Further detail on each of the proposed budget categories follows.

INFORMATION ONLY - SUPPLEMENTAL TO THE DRAFT BUDGET

REVENUES AND OTHER SOURCES

The primary source of income is from the retail sale of electricity to CleanStart and EverGreen customers. Customers of both services provide all the Electricity Sales revenue. EverGreen costs 2.5 cents per kWh over the price of CleanStart, and provides 100% renewable energy from sources in Sonoma and Mendocino Counties. The EverGreen premium pays for the purchase of local sources of renewable geothermal and solar and is not intended to produce surplus income.

The total sales estimate is based on 87% of eligible customers and load participating in SCP. The net financial performance of SCP is not sensitive to small changes in the rate of participation because a majority of expenses are proportional to the load served. In other words, income and expenses generally tend to go up and down together.

No rate changes are required at the start of the fiscal year on July 1, 2023. As a result, SCP customer total electric bills are expected to remain approximately 5% below PG&E's bundled service total electric bills. When SCP's long-term financial reserves target is reached, possibly by the end of 2023, rates will decrease.

Staff estimates uncollectable billings at 2.1%. No additional funds are expected from the California Arrearage Payment Program, which helped pay past due energy bill balances accrued during the pandemic in FY21-22 and FY22-23.

EXPENDITURES

Product

Cost of Energy and Scheduling includes all of the various services purchased from the power market through our suppliers. This includes energy, long term renewable power purchase agreements, ProFIT feed-in-tariff projects, capacity (resource adequacy), short term renewable and carbon free contracts (i.e hydropower), scheduling services, CAISO fees, and other miscellaneous power market expenses. The 2,386,000 MWh of purchased energy is approximately 6% greater than the volume sold because of normal system transmission and distribution losses.

SCP has entered into renewable, low carbon, and financial hedge contracts with suppliers that will meet approximately 90% of its expected energy requirements through the full fiscal year, meaning that energy costs are reasonably well known, although changes in energy market prices will still have an impact on SCP's costs.

Major amounts of SCP's customer load are also served by customer-owned solar arrays. Small amounts also reduce the load of other SCP customers through NetGreen overproduction. None of this production is reportable on SCP's Power Content Label, however, because it is treated as a load reduction rather than supply energy under California regulations.

Based on current rates of participation, the total payout amount for SCP's NetGreen solar customers is estimated to be about \$1,010,000 for the fiscal year.

Energy is procured for over 90% of the forecast load through December 2024. The primary price risks are therefore related to forecast error, changes in rates of customer participation, Public Safety Power Shutoffs (PSPS), shutoffs due to Enhanced Powerline Safety Settings (EPSS) also known as "fast trip", variable generation output of solar and wind resources, generation curtailment risks, forward pricing peak and off-peak unhedged energy, unprocured resource adequacy, and legislative and regulatory risks (e.g., PCIA fees).

Scheduling Coordinator services are provided by Northern California Power Agency through December 2024. The charges for this service are included together with energy and resource adequacy in the budget. After electric power is scheduled for delivery to customers and ultimately consumed by those customers, the actual electric consumption must be trueed up against the forecasted and scheduled energy. This true up occurs through the settlement process, or "settlements." Settlements also entail addressing a number of other market and regulatory requirements. The impact on budgeting is that invoices and credits occur several months (and sometimes up to two years) following a given month of service.

Data Management includes a broad scope of services provided by contract through Calpine Energy Solutions, including billing data validation, bill coordination with PG&E, billing management of special programs (e.g., NetGreen and ProFIT), call center services and billing technical support, customer enrollment database management, move-in/move-out services, CAISO data preparation, WREGIS data preparation, and many support functions related to data reporting.

Service Fees to PG&E consist of a charge of \$0.35 per account per month (including a \$0.21 per account service fee and a \$0.14 per account meter data management fee). There are also numerous small fees associated with data requests. The fees cover PG&E's costs associated with additional data processing and bill coordination, and are mandatory and regulated by the California Public Utilities Commission (CPUC).

Personnel

Personnel costs include direct salaries, benefits, workers compensation premiums, and payroll taxes. Part of the increase is due to the fact that a number of new staff were hired over the past year and only a portion of their full annual compensation costs are reflected in the FY22-23 expenses. Their full cost is shown in this draft budget. In addition, normal salary increases are included.

Energy Center, Marketing and Communications

As Sonoma Clean Power continues to conduct market, demographic, and customer satisfaction research and our marketing efforts are increasingly responsive to the feedback we receive. To that end, we are purchasing customer relationship management software to assist us further enable targeting, segmenting, and personalizing customer marketing/outreach. The Empower program, which was created to focus attention and resources on improving the public's understanding of what the SCP does, our mission, and how the agency operates, has been implemented, and is key to ensuring SCP understands and is serving the needs of all of our customers.

We will continue investing in innovative ways to connect with our Spanish-speaking customers on a cultural level. SCP will continue our history of supporting funds, time, and expertise, including through our Supporting our Communities program with the Sonoma Water Energy Education program, the CTE Foundation, the LIME Foundation, and with educational grants/scholarships (SRJC Spirit of Entrepreneurship Grant, Sonoma State University 10,000 Degrees Scholarships).

SCP will continue to reinforce brand awareness through our consistent marketing, public relations and social media platforms, and will continue to provide leadership within the non-profit sector and the community choice industry.

Customer Service

As the primary touchpoint for customers in the agency, the customer service team's budget includes confirmation notices, annual required notices, other noticing, and commercial customer engagement and events. FY23-24 reflects the transfer of community support to the Energy Center, Marketing and Communications budget. There was also a decline in required noticing expense as a result of having permission to email required notices to e-bill customers.

Customer Noticing

There are several kinds of official mailed notices SCP provides to its customers. Outside of enrollment rollouts, the following notices are mailed out to applicable customers:

- Move-in notice postcard (weekly)
- Move-in notice letter (weekly)
- EverGreen confirmation notices (weekly)
- NetGreen welcome (weekly)
- Opt-out confirmation - immediate notice (weekly)
- Opt-out confirmation - 6-month notice (weekly)
- Late payment notice (monthly)
- Pre-collections notice (monthly)

The customer service budget also reflects two required mailings by the CPUC and CEC:

- Joint Rate Comparison with SCP and PG&E information (annually)
- California Energy Commission's Power Content Label (annually)

Other noticing includes miscellaneous communication to customers, for example, a small change to the NetGreen 2.0 program.

Finally, the commercial customer budget will be used help commercial EverGreen customers gain attention for the leadership in switching to 100% local, renewable energy.

Other Professional Services

Legal

This covers attorney expenses for general agency contracts and governance plus power supply negotiations and any other legal issues that arise.

Regulatory & Compliance

This category includes technical research into CPUC rate cases, resource adequacy, PCIA and other key issues. It includes technical and legal consultants for compliance

filing preparation, review, and filings. Many of these legal expenses are shared across a large number of CCAs, for example in CPUC cases where all CCAs have a shared interest.

Accounting

Accounting includes services from two providers. Maher Accountancy provides the day-to-day accounting for SCP, including payroll, customer compensation for NetGreen, invoice processing and payment, income monitoring and reconciliation, generation of financial statements and consolidated reports. SCP also has an outside auditor review our financial statements each year.

Legislative

Staff retains a Sacramento legislative lobbyist. These costs also include coverage for tracking and advancing bills in the legislative session that affect SCP and the energy industry directly. The statewide CalCCA trade association continues to allow SCP to track and participate in legislative work that affects CCAs across the state. Federal and state lobbying on the GeoZone is also included.

Other Consultants

Other Consultants covers costs related to outside services needed for basic internal operations, such as: IT services/repairs, nighttime security for the HQ building and the Advanced Energy Center, administration fees for our insurance benefits and retirement plans, consultants for mandatory training, and the collection agency SCP uses for past-due accounts. Administration of SCP's 0% on-bill financing as well as technical consultants for the GeoZone are also included in this category.

Industry Memberships and Dues

The CalCCA trade association is an important entity for sharing the costs of legislative, regulatory, and analytic work. The association has been instrumental in improving SCP's effectiveness at the CPUC on matters including the PCIA, resource adequacy, and in the legislature on organizing and providing direction to lobbyists and requesting action.

SCP is a member of CC Power, the JPA formed with other CCAs to jointly procure power. During this early period before any energy and capacity is delivered under CC Power contracts, all CC Power expenses are booked as dues. However, once energy and capacity from contracts begins, these expenses will shift into the energy line item. SCP is also a member of the American Public Power Association (APPA). This is a

nationwide association of public power entities, with a membership category for CCAs nationwide.

Programs

The semi-annual Programs Strategic Action Plan recently presented to the Committee and Board details the programs SCP is planning to deliver in the next fiscal year.

Other Uses

Capital Outlay is for equipment costing in excess of \$5,000.

Debt Service

SCP currently carries no debt.

Net Increase / (Decrease) in Available Fund Balance

Staff is planning for a substantial net increase in the available fund balance based on SCP's February 1, 2023 rates that are expected to provide SCP customers savings of 5% on total electric bills. When SCP's long-term financial reserves target is reached, staff assume that rates will be reduced to cover SCP's costs.

FOUR-YEAR OUTLOOK

This four-year outlook is subject to significant changes as new information is available regarding PCIA, actual loads, changing in policy and regulation and the market cost of energy

	Revised Budget FY22-23	Proposed Budget FY23-24	Forecast FY24-25	Forecast FY25-26	Forecast FY26-27	Forecast FY27-28
REVENUES & OTHER SOURCES						
Electricity Sales (net of allowance)	\$279,200,000	\$243,952,000	\$226,109,345	\$266,176,264	\$252,333,154	\$239,415,093
EverGreen Premium (net of allowance)	2,389,000	2,689,000	2,729,335	2,770,275	2,811,829	2,854,007
CEC Grant Proceeds	1,414,000	470,000	-	-	-	-
Miscellaneous Income	1,025,000	2,058,000	768,793	-	-	-
Investment Income	1,488,000	3,540,000	1,400,000	1,400,000	1,400,000	1,400,000
Total Revenues	285,516,000	252,709,000	231,007,473	270,346,539	256,544,984	243,669,100
EXPENDITURES						
Product						
Cost of Energy & Scheduling	193,510,000	193,762,000	203,609,739	242,206,838	226,983,620	212,696,551
Data Management	2,677,000	2,680,000	2,706,800	2,733,868	2,761,207	2,788,819
Service Fees to PG&E	979,000	990,000	999,900	1,009,899	1,019,998	1,030,198
Product Subtotal	197,166,000	197,432,000	207,316,439	245,950,605	230,764,825	216,515,568
Personnel	7,650,000	8,346,000	9,013,680	9,734,774	10,513,556	11,354,641
Energy Center, Mktg & Comm	2,951,000	3,061,000	3,183,440	3,310,778	3,443,209	3,580,937
Customer Service	291,000	220,000	229,900	240,246	251,057	262,354
General & Administration	1,190,000	1,360,000	1,544,185	1,606,987	1,672,344	1,740,358
Other Professional Services						
Legal	430,000	475,000	489,250	503,928	519,045	534,617
Regulatory & Compliance	460,000	460,000	473,800	488,014	502,654	517,734
Accounting	258,000	309,000	318,270	327,818	337,653	347,782
Legislative	220,000	220,000	228,800	237,952	247,470	257,369
Other Consultants	746,000	624,000	642,720	662,002	681,862	702,317
Other Professional Services Subtotal	2,114,000	2,088,000	2,152,840	2,219,713	2,288,684	2,359,819
Industry Memberships & Dues	560,000	645,000	664,350	684,281	704,809	725,953
Programs						
Program Implementation	5,456,000	8,101,000	6,502,639	6,187,156	6,482,140	6,692,378
CEC Grant Program	4,180,000	1,712,000	-	-	-	-
Programs Subtotal	9,636,000	9,813,000	6,502,639	6,187,156	6,482,140	6,692,378
Total Expenditures	221,558,000	222,965,000	230,607,473	269,934,539	256,120,624	243,232,009
Revenues Less Expenditures	63,958,000	29,744,000	400,000	412,000	424,360	437,091
OTHER USES						
Capital Outlay	600,000	600,000	400,000	412,000	424,360	437,091
Total Expenditures, Other Uses	222,158,000	223,565,000	231,007,473	270,346,539	256,544,984	243,669,100
Net Increase/(Decrease) in Fund Balance	\$ 63,358,000	\$ 29,144,000	\$ -	\$ -	\$ -	\$ -

Page intentionally left blank for double-sided printing



Staff Report - Item 08

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

Recommendation

This is a continuation of the 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.