



**AGENDA  
COMMUNITY ADVISORY COMMITTEE MEETING  
THURSDAY, APRIL 20, 2023  
1:00 P.M.**

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EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 554953(F), MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE MAY PARTICIPATE IN THE APRIL 20, 2023, MEETING AT THE LOCATION SHOWN BELOW.

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

MEMBERS OF THE PUBLIC MAY PARTICIPATE IN THE MEETING AT THE ABOVE PHYSICAL LOCATION 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 location. Comments may be submitted in writing to [meetings@sonomacleanpower.org](mailto: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](mailto: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 (Any private remote meeting attendance will be noticed or approved at this time)**

**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.)

**pg. 5**

**COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR**

1. Approve March 16, 2023, Draft Community Advisory Committee Meeting Minutes (Staff Recommendation: Approve)

**pg. 9**

2. Receive Geothermal Zone Update (Staff Recommendation: Receive and File)

**pg. 15**

**COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR**

3. Receive Internal Operations and Monthly Financial Report and Provide Feedback as Appropriate (Staff Recommendation: Receive and File)

**pg. 19**

4. Receive Legislative and Regulatory Updates, Provide Feedback and Recommend Positions to the Board on AB 527 (Min), AB 593 (Haney), SB 83 (Wiener/Wood), and Other Bills as Appropriate (Staff Recommendation: Approve)

**pg. 21**

5. Recommend the Board of Directors Approve the Proposed Annual Budget for Fiscal Year 2023-2024 (Staff Recommendation: Approve)

**pg. 53**

6. Discuss 2023 Community Advisory Committee Goals (Staff Recommendation: Receive and File)

**pg. 67**

**COMMITTEE MEMBER ANNOUNCEMENTS**

**ADJOURN**

## COMMONLY USED ACRONYMS AND TERMS

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

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## **Public Comment on Matters Not Listed on the Agenda**

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

**Issue: Public Comment on Matters Not Listed on the**

**Agenda Date: April 20, 2023**

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### **Attachment**

- Attachment A - April 12, 2023 Letter - Hollinshead

12 April, 2023

Letter to the Sonoma Clean Power Board of Directors

My name is Crispin B. Hollinshead. I am a member of the SCP Community Advisory Committee, but I am writing as an individual.

As you know, the climate crisis is dire. Our only hope to halt the rising global temperature is complete decarbonization of the economy, as rapidly as possible. The State of California has committed to this and informed energy producers that they need to almost triple the amount of electricity currently being produced, using non-carbon generation, in order to replace the use of fossil fuels in transportation and heating. SCP, with the motto "Electrify Everything", is already providing 100% non-carbon electricity and initiating the GeoZone project to significantly increase baseload non-carbon energy.

While the climate crisis is inexorable in its destruction, the peak oil impact will be abrupt and imminent. Conventional global oil production (not including deep water, shale oil, or tar sands) peaked in 2005. The US shale oil boom covered the global demand gap, but the recession beginning in 2008 reduced demand. All global oil production peaked in 2018, but the COVID pandemic again reduced demand. The recession and then the pandemic, obscured the fact that oil was not going to be plentiful and cheap forever.

The oil industry has acknowledged the US shale oil boom is over and most reserves will be exhausted in the next few years. Global conventional oil reserves are also in decline, unable to make up for this production shortfall. This will lead to destructively high oil prices. The challenge at this point is to shift to renewable energy fast enough to reduce fossil fuel demand, keeping prices affordable.

Climate change and diminishing oil production lead to the same conclusion: Shift to renewables as soon as possible. However, the existing high-voltage transmission grid is barely adequate for the existing load, so increased power production alone won't solve the problem. Significant changes will need to be made to infrastructure and grid management.

The grid currently ships power at the time it's needed, thus being limited by peak capacity. In an average 24-hour period the grid operates at about 40% of capacity, and yet we are already experiencing brownouts during peak loads. Distributed storage will allow more effective use of the existing grid, but will require massive investment. Every energy-producing facility should have enough storage capacity to allow around-the-clock distribution management. In addition, large distributed storage is needed to allow communities to receive power when the grid capacity is available, to have on hand for local loads. This distributed storage can even be installed in individual homes and businesses. In addition, increased distributed energy production will reduce what has to be transported over the grid. Combined with increased distributed storage, local power resilience will increase as well. The good news is that battery technology is changing rapidly and prices are falling.

The solution includes efficient conservation (using less), more local power production (importing less), and massive distributed storage (using the grid around the clock). This Distributed Energy Resources system will require new power-management tools, and infrastructure, but can be implemented more quickly than expanding grid capacity. Fossil fuels are finite and subject to inflation over time. Renewable power costs are fixed and getting cheaper each year; the energy collected is free, so shifting to renewables will save the community money over time.

I therefore ask the SCP Board of Directors to consider investigation this path, directing SCP staff to do further research, plan, and execute phased installation. The window of opportunity to avoid economic disruption is closing rapidly.

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

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**CALL TO ORDER**

(1:03 p.m. - Video Time Stamp: 00:03:11)

Vice Chair Quinlan called the meeting to order.

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

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Neal Reardon, Director of Regulatory Affairs; Deb Emerson, Managing Director; Chris Golik, Finance Manager; Ryan Tracey, Director of Planning and Analytics; Kate Kelly; Director of Public Relations and Marketing; and Brytann Busick, Marketing and Events Manager.

**PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA**

(1:04 p.m. - Video Time Stamp: 00:04:12)

Public Comment: Tom Conlon mentioned that there was an increase in the amount of electricity produced using biomass on SCP's Power Content Postcards, and asked why and whether this would continue in future years.

**COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR**

(1:08 p.m. - Video Time Stamp: 00:08:14)

1. Approve February 16, 2023, Draft Community Advisory Committee Meeting Minutes
2. Receive Geothermal Zone Update
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

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

Public Comment: None

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

Second: Member Nicholls

Motion passed by roll call vote.

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

ABSENT: Fenichel, Johnson, Kelly

## **COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR**

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

(1:09 p.m. - Video Time Stamp: 00:09:43)

Michael Koszalka, COO, discussed SCP's new telenovela, "Por El Mañana." He mentioned that the episodes were available on SCP's website and highlighted the red-carpet event SCP had at the Energy Center for the premiere. He discussed SCP restructuring its customer service contract with Calpine and Calpine's grant competition for local causes. CEO Syphers discussed his exploration of alternative meeting dates and times for the Committee to help make meetings more accessible, but added that there was no recommendation to change the meeting schedule since the alternative times would lead to lower overall committee member attendance. He discussed SCP's finances in the context of the recent failure of Silicon Valley Bank and explained that SCP's funds are held in two different regional banks supported with FDIC insurance and/or strong liquidity and the Sonoma County Investment Pool.

Vice Chair Quinlan asked if there was any public reaction to the telenovelas and CEO Syphers responded that there had been a lot of interest, even requests for another season. Member Nicholls asked if SCP funds were held

with the County of Sonoma. COO Koszalka stated that roughly \$35 million was with the Sonoma County Investment Pool, roughly \$30 million held by Summit Bank, and roughly \$37 million held by River City Bank.

Public Comment: None

6. Receive Legislative and Regulatory Updates, Provide Feedback and Recommend Positions to the Board as Appropriate

(1:21 p.m. - Video Time Stamp: 00:21:53)

Neal Reardon, Director of Regulatory Affairs, discussed the extension of Diablo Canyon in which PG&E is allowed to continue running the plant until their application is amended and accepted. He discussed PG&E's Fast-Trip system for automatically shutting off distribution circuits and stated that SCP is leaning on the CPUC to provide transparency regarding Fast-Trip, and he reiterated that SCP is requesting PG&E disclose which circuits are connected to Fast-Trip devices to better inform customers who are medically vulnerable to power outages. CEO Syphers mentioned that Sonoma County recently banned all new gas stations, and he mentioned the Bay Area Air Quality Management District adopted a ban on the sale of new natural gas water heaters by 2027 and home heating systems by 2029. He stated he has been having meetings to greet and welcome new State legislators. He said that the Windsor Business Park was told by PG&E that they would not be able to connect to the grid on any known timeline. CEO Syphers then stated that SCP would be working with Assemblyman Wood and Senator McGuire's offices to request and review documentation from PG&E to assess their financial stability because power outages and interconnection issues are becoming more widespread.

Member Hollinshead asked if SCP had considered small scale distributed storage and CEO Syphers answered that regulators need to improve how it is compensated for providing grid reliability. Member Dowd added that electrical stability is critical to the economy and would like the Committee to be kept up to date. Member Lipp mentioned there are emerging induction stoves with batteries that allow use without circuit upgrades. Member Wells asked if legislators are familiar with the transmission interconnection slowdown issues for new supply and storage resources and CEO Syphers replied that they needed to be more familiar with transmission, and this year legislator turnover has been extremely high. Vice Chair Quinlan asked if current transmission infrastructure is inadequate, and CEO Syphers responded that it is and that time is of the essence to work on the transmission system. Vice Chair Quinlan then asked if there were any updates on teleconference meeting

rules and CEO Syphers responded that it is too early to tell. Member Hollinshead asked if there is any degradation in the available capacity of the historical transmission infrastructure out of existing GeoZone area resources and CEO Syphers responded that SCP is still working on the answer to that question.

Public Comment: Tom Conlon mentioned he appreciated the legislative conversation and stated that SCP should look at AB 538 (Holden).

7. Review and Provide Feedback on the Draft Annual Budget for Fiscal Year 2023-2024

(2:00 p.m. - Video Time Stamp: 00:59:46)

COO Koszalka discussed the Draft Annual Budget for FY 23/24 and mentioned it would be brought to the Committee again before final adoption. He mentioned there were no projected rate increases and that SCP should be reaching its fiscal reserve targets within FY 23/24. He stated that there was a 4.7% budget increase and pointed out that this is below inflation levels and that the revenue figure is down because SCP will be able to lower rates. He discussed the 5-year forecast and CEO Syphers stated that in 2014, SCP projected that they would hit their financial goals in 10 years but now are planning to meet goals ahead of schedule, in 9 and a half years.

Vice Chair Quinlan congratulated SCP on the forecast and asked if the reserve target allowed for inflation and CEO Syphers responded that it did. Member Booth asked if there was a marketing plan to show off SCP hitting its target and offering lower rates as a result, and CEO Syphers cautioned against it. Member Hollinshead asked if there was a place for a fund in the budget to build on investments and CEO Syphers responded that the door is open for future conversation on the subject.

Public Comment: None

8. Discuss 2023 Community Advisory Committee Goals

(2:13 p.m. - Video Time Stamp: 01:13:23)

Vice Chair Quinlan started the conversation by stating that in order to address the Committee's goals an Ad Hoc was created and Members Wells, Quinlan and Johnson met and discussed equity and diversity needs. Member Wells gave a report on the Ad Hoc discussion. He stated that SCP should perform a community needs assessment and it is very important for staff to go where the

underserved are located. The Ad Hoc discussed the need for rates to be simple and added that age diversity should also be considered. Vice Chair Quinlan added that a mobile "SCP On Wheels" initiative might be a good idea to get the word out to the community.

Chair Morris thanked the Ad Hoc and stated that communication is very important to connect with the community. Vice Chair Quinlan requested that this item be continued to the April Committee meeting. CEO Syphers added that bill reduction is an important part of the equity conversation.

Public Comment: None

### **COMMITTEE MEMBER ANNOUNCEMENTS**

(2:33 p.m. - Video Time Stamp: 01:33:44)

Member Nicholls mentioned that the Russian River Chamber would be holding its Night Market.

### **ADJOURN**

(2:34 p.m. - Video Time Stamp: 01:34:52)

The meeting was adjourned by unanimous consent.

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## Staff Report - Item 02

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**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:** April 20, 2023

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### 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>.

### Private Partner Activity

With the cooperation agreements in place, SCP's private GeoZone partners have started early development work in earnest. The initial focus is on securing exploration area site control, which involves building relationships with landowners, confirming title through extensive research, and completing sufficient technical work to evaluate specific land opportunities. SCP is supporting these activities for all three partners through introductions and knowledge sharing. Unlike most conventional geothermal opportunities in the West, land in the GeoZone is predominately privately owned and will not involve interfacing the Bureau of Land Management's lease auction process.

Partners are also working on pursuing applicable grant opportunities described below and characterizing required permitting and the impact on cost and schedule.

## **Public Engagement**

In addition to the opportunity for the public to speak at every SCP public meeting, specific GeoZone community updates and input sessions will be planned as soon as prospective sites and technologies are identified. At that time – likely in the summer of 2023 – SCP will ask the private partners to participate in the next public stakeholder engagement session.

## **Political Advocacy**

The geothermal industry does not currently have a lobby in Sacramento or Washington. Without a dedicated champion, increasing supportive policy for geothermal and research funding is an uphill battle. SCP's Board approved supporting geothermal in its 2023 legislative platform, and staff are actively pursuing advocacy opportunities—particularly if they can directly benefit the GeoZone.

Geothermal Rising, the trade group for the geothermal industry of which SCP is a member, is hosting an [inaugural Capital Hill Day](#) in June, with the aim of educating lawmakers and building a coalition of support. Although SCP will not be in attendance, staff will be providing Geothermal Rising with key talking points relevant to California's delegation. Staff has already had success in separately engaging Congressman Thompson, Congressman Huffman, and Senator Padilla on GeoZone and hopes to deepen those relationships to improve the geothermal industry's traction in federal policy. Staff is also planning on meeting with Geothermal Rising to specifically discuss opportunities for coordination at the state level.

## **Well Permitting**

A near-term activity for both Chevron New Energies and Eavor Inc. will be obtaining well permits for exploration wells that will be required to confirm geologic characteristics before moving forward with project development. Review and permitting can be done through the State's California Geologic Energy Management (CalGEM) Division or by a local agency, such as the County of Sonoma or Mendocino, and staff are exploring which option will provide better opportunities for local input and timely processing. Staff have learned that permitting of oil and gas exploratory wells is routine at the State level and that similar permitting for geothermal wells can be slower because of the State's experience with thousands of oil and gas applications and relatively few geothermal applications. As a result, staff is also looking for legislative opportunities advocating for geothermal permitting that could tilt California's permitting process away from oil and gas wells and toward geothermal wells.



## Grant Opportunities

SCP's partner Cyrq is planning to submit a concept paper for the Department of Energy's [Office of Clean Energy Demonstrations' Energy Improvements in Rural or Remote Areas Program](#). This program offers grant funding for projects that can deliver benefits to communities with populations of less than 10,000 people. In the paper, SCP preliminarily identified the City of Cloverdale as a target community for benefitting from the economic and energy infrastructure benefits of a Cyrq project. If DOE encourages Cyrq and SCP to move forward with a full application, staff will finalize selection of target communities and work with them in accurately characterizing the perceived impact and confirming local support for the project in a letter of commitment. Meanwhile, SCP and Cyrq are awaiting a decision from DOE on an application submitted for the DOE's Long-Duration Energy Storage grant, which is expected in Summer 2023.

SCP is also working with Chevron New Energies in evaluating a potential application to the Department of Energy's [Bipartisan Infrastructure Law Enhanced Geothermal System Demonstration](#) grant. The grant offers federal cost share in deployment of new subsurface geothermal technologies with applications due in June.

## Transmission Planning

CAISO released its Draft 2022-23 Transmission Plan in early April. The plan calls for a significant increase in transmission capacity to meet statewide environmental and reliability goals—with \$9.3 billion of investment in 46 transmission projects. Much of the transmission build-out is concentrated in Southern California and includes projects to bring renewable energy (including geothermal) from the Imperial Valley, Nevada, Wyoming, Idaho, and New Mexico. The CAISO did not study local geothermal capacity at the scale of GeoZone—only testing up to 79 MW in the base portfolio. At the modeled capacity, no policy-driven upgrades were identified in the area although a sensitivity study suggested significant constraints would occur with faster renewable deployment. SCP is engaged in the current 2023-24 process to advocate for a more significant plan for local geothermal growth.

CAISO also recently released its [2023 Interconnection Process Enhancements Straw Proposal](#). The proposal recommends dramatic reforms to the CAISO's interconnection process starting with the next cluster (Cluster 15), which is accepting applications this month. To better manage the volume of requests and incorporate the results of Cluster 14, the CAISO contemplates delaying the start of Cluster 15's Phase I studies by a year. This would likely delay the acceptance for the next cluster, which is when SCP expects

GeoZone projects to be ready to pursue interconnection. The proposed enhancements also move from the current “open access” model to more of a “central planning” approach—where interconnection requests the CAISO and the CPUC have planned for development and capacity are prioritized. If the CAISO moves forward with the suggested reforms, it will be important for the GeoZone to evaluate options for interconnecting demonstration projects on the distribution system to alleviate schedule delays. It also reinforces the importance of GeoZone advocacy at the CPUC and other venues to ensure it is reflected in statewide planning and receives interconnection prioritization.



## Staff Report - Item 03

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**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:** April 20, 2023

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### LOCAL POWER!

SCP negotiated and executed two Power Purchase Agreements for local renewable energy and battery storage to support our EverGreen service. Both projects are in Mendocino County, with one being 4 MWs of solar + 4 MWhs of battery on Redemeyer Road in the unincorporated area outside of Ukiah. The second project is 4.99 MWs of solar PV in Laytonville near Twin Pine Rd. Both projects are being developed by Renewable Properties and scheduled to come online in late 2025 for a term of 20 years. These contracts are a result of the Local Renewable Request for Proposals Solicitation from June 2021.

### ART IS BACK AT SCP

SCP is reviving a community art show that was last done nine years ago. Staff have worked with a local art curator and invited local artists to showcase their artwork in SCP's office. Over the Easter weekend, art from ten artists were installed at SCP's business office at 431 E Street in Santa Rosa. Visit: <https://sonomacleanpower.org/art> to RSVP for attending the opening and closing receptions.

- Opening Reception - Friday, April 28<sup>th</sup> from 3:00-6:00 PM
- Closing Reception - Saturday, September 9<sup>th</sup> from 2:00-5:00 PM

By showcasing local artists, SCP is helping support our community in new ways.

## **CUSTOMER PROTECTIONS**

In March 2020, Sonoma Clean Power's Board of Directors implemented customer protections in response to the COVID-19 pandemic. Following the lead of Governor Newsom's instructions to Investor-Owned Utilities, SCP suspended late payment notices, pre-collections notices, and collections. SCP has not returned any customers to PG&E for non-payment since March 2020. As the pandemic continued, SCP's Board extended these customer protections several times to align with State and California Public Utilities Commission requirements. In December 2022, the SCP Board of Directors authorized CEO Syphers to retire the 2020 COVID-19 Emergency Consumer Protection Policy on or before December 31, 2023. Now, in line with other CCAs, IOUs, and input from staff, CEO Syphers ended COVID-19 customer protections in March 2023.

## **MONTHLY COMPILED FINANCIAL STATEMENTS**

The February Financials will be available for the May Board of Directors Meeting.

## **UPCOMING MEETINGS**

- Board of Directors - May 4, 2023
- Community Advisory Committee - May 11, 2023 (off-regular schedule)
- Board of Directors - June 1, 2023
- Community Advisory Committee - June 15, 2023



## Staff Report - Item 04

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**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 on AB 527 (Min), AB 593 (Haney), SB 83 (Wiener/Wood), and Other Bills as Appropriate

**Date:** April 20, 2023

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### Requested Action

Receive legislative and regulatory updates, provide feedback, and recommend positions to the Board as appropriate.

### Regulatory Updates

#### CPUC Opens Investigation into High Winter Natural Gas Prices

On March 16<sup>th</sup>, the CPUC opened a public investigation (I.23-03-008) to examine the causes of recent price spikes on the natural gas and wholesale energy markets. Beginning in November, 2022, spot market prices for methane increased sharply and remained extremely high through February of 2023. While SCP does not contract directly with electricity generation plants using fossil methane as fuel, the resulting price spikes created high costs for wholesale energy. Customers, regardless of whether they were fully electrified or still rely on methane for home heating and cooking, were significantly impacted.

While the CPUC does not directly regulate natural gas producers nor set natural gas prices, the agency is opening this investigation with the intent of evaluating whether customers were harmed by market actors. It bears noting that these elevated prices were not unique to California, they were seen across the Western US. Prior to the CPUC investigation, Governor Newsom wrote to the Federal Energy Regulatory Commission ("FERC") requesting that the Federal agency evaluate whether market

manipulation or anti-competitive behavior contributed to the price spikes. CPUC proceedings are typically scheduled to conclude in two years, however the timing and any ultimate conclusions of this investigation remain uncertain.

#### CPUC President Directs PG&E to Provide SCP with Specific Data on Customers Impacted by Fast-Trip Outages

CPUC President Alice Reynolds announced that the Commission would host a workshop to better understand the customer impacts from fast-trip or “enhanced public safety shutoffs” on March 17<sup>th</sup>. This came 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 provided time for the filing parties to outline impacts of outages and proposed solutions. Following this, it directed the utilities to answer 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 advocated 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. At the workshop, President Reynolds agreed with SCP’s request and directed PG&E to provide this information to SCP and other safety partners. Sonoma Clean Power staff are now working directly with PG&E to establish the format and timing of receiving the data.

#### CPUC Issues Resolution Denying Proposed Expansion of Two Existing CCAs

In December of 2022, East Bay Community Energy and Central Coast Community Energy filed implementation plans with the CPUC notifying the agency of their intent to serve the cities of Stockton and Atascadero, respectively, beginning in January of 2024.

On March 8, 2023, Staff issued letters that certified receipt of these implementation plans but did not confirm the proposed effective dates. Soon thereafter, Energy Division issued a Draft Resolution disallowing the proposed expansion until January of 2025 at the earliest. The rationale for the denial is that both CCAs in question have

been subject to multiple citations for failing to procure sufficient Resource Adequacy ("RA"). As background, all load serving entities are required to purchase RA. It is akin to an insurance product to provide for a reliable grid. When functioning properly, the RA framework supports system reliability by requiring that sufficient generation facilities are available and online to meet electrical demand. The Draft Resolution concludes that East Bay and Central Coast's failure to have RA contracts in place increased stress on the grid and resulted in utilities being required to purchase excess on behalf of all customers.

Comments on the Draft Resolution are due April 17<sup>th</sup>, it will be voted on during the April 27<sup>th</sup>, 2023 CPUC meeting.

## **Legislative Update**

### ***Governor's Budget Trailer Bill***

The most critical challenges community choice providers face in Sacramento this year are in the Governor's budget trailer bill, which contains a large amount of new energy policies. The bill would greatly increase the powers of the CPUC, diminish the authority of local governments, and penalize ratepayers for the IOU's failure to construct sufficient transmission resources.

Specifically, the bill would remove a number of CCA governing board powers and transfer them to the CPUC, including removing the power of CCAs to select which power sources they buy. It also removes CCA governing boards' ability to set policy on risk management and transfers risk oversight to the CPUC. If passed as is, substantially the remaining power left for the CCA governing boards would be to set customer rates.

The bill broadly tasks the California Department of Water Resources (DWR) to finance and construct any new power resources the State deems critical. This function is termed the "Central Procurement Entity." The bill also expands the prior role of the Central Procurement Entity to include the construction of resources that go beyond critical reliability, and would now include resources needed to lower greenhouse gas emissions. This broadening then means that essentially all power resources could, in theory, be assigned to DWR and that fossil fuel power sources could be forced onto SCP and other power providers. The costs of all Central Procurement Entity activities would be spready across all power providers, including SCP, whether or not we need those resources and whether or not we have procured similar resources. This could greatly jeopardize any long-term investments, and could have a chilling effect on building new power resources in California.

Finally, the bill proposes to create a new fine that would be charged to power providers that cannot fulfill their compliance obligations for resource adequacy, with the proceeds going to DWR. This new fine is additional to two existing fines for missing compliance, and is opposed by CalCCA on the grounds that there are insufficient capacity resources available to buy at any price. Imposing a new fine, then, cannot change California's reliability or change the behavior of power providers. The lack of sufficient capacity resources is growing as well, largely due to a slowdown in California's construction of transmission and PG&E's slowdown in interconnecting new resources. As a result, the Governor's budget bill is de facto proposing a set of new fines that must be paid by ratepayers (not shareholders) for IOU shortcomings in connecting new power resources to the grid.

In summary, the budget trailer bill includes big policy changes that could threaten SCP's ability to construct renewable resources, accelerate carbon-reducing strategies, prioritize local resources, fulfill the goals of ending reliance on natural gas fired power plants through constructing significant geothermal power, negotiate power supply contracts that are favorable for ratepayers, and instead imposes a fine on ratepayers for IOU shortcomings. Staff are very focused on helping California address its urgent grid reliability challenges more effectively, without restricting CCAs or harming our climate work, such as through constructing the needed transmission lines for connecting new renewable resources, and urging the legislature to investigate PG&E's financial condition to attempt to resolve its inability to obtain the capital needed to keep up with grid maintenance and interconnections.

### ***Existing Legislative Positions***

- **AB 50 (Wood) - Timely Electrical Interconnection - Support**

Sets interconnection timelines for new and existing electric customers and promotes more efficient distribution planning. Increases communication between IOUs, local governments and state government. Senators Dodd, McGuire and Wiener have joined as co-authors, along with Assembly Members Connelly, Aguiar-Curry and Rivas.

- **AB 538 (Holden) - Regionalization - Watch**

Would join California's largest grid reliability operations at CAISO with grid operators in other states to "regionalize" the reliability of our grid. The Author's goal is to increase coordination across state boundaries to create a more efficient wholesale power market, lower costs and lower emissions by allowing more day-ahead planning for the use of clean power resources outside



California. The bill is opposed by labor, because it would make it easier to share resources across state lines in support of grid reliability, and that could make it less attractive to build resources in California where permitting and construction is slower than in other neighboring states. Some environmental groups are opposing because of concerns that federal oversight and control could increase, lessening California's ability to control the dispatch of resources.

- **AB 643 (Berman) - Electricity Interconnection Timelines - Support**

Seeks to get more information about delays in connecting customer owned solar and battery resources. The bill would require the CPUC to submit an annual report to the legislature on compliance with interconnection timelines, status of IOU interconnection activities and delays, and information about any CPUC penalties assessed to IOUs for violating timelines.

- **AB 914 (Friedman) - Transmission expansion CEQA exemption - Watch**

This bill proposes to reduce the risk associated with constructing the transmission and distribution infrastructure necessary for achieving the State's climate goals by adding certain additional CEQA streamlining provisions. The bill would limit the timeline for permitting review for transmission expansions. The bill pertains to infrastructure projects needed to accommodate increased electrical demand associated with transportation electrification, building electrification and distributed-energy projects, and the renewable energy and storage supply resources needed to provide for those new loads. New transmission-level projects would still be subject to CEQA review, while projects that expand, upgrade, or modify existing transmission-level projects would be exempt. Labor, all three IOUs and the California Municipal Utilities Association are supporting the bill.

- **AB 1538 (Muratsuchi) - Clean Energy Reliability - Support**

Establishes a Clean Energy Reliability Program to be administered by the CPUC to provide incentive payments to electricity providers that bring clean energy resources online earlier than their compliance requirements.

- **SB 411 (Portantino) - Remote Meetings - Support**

Would allow fully remote meetings for bodies whose members are appointed.

## ***Legislative Positions Taken Since the Last Board Meeting***

Per the Board's Legislative Policy D5, staff conferred with the Chair and Vice Chair between Board meetings in order to take timely positions on certain bills that were scheduled for hearings. Letters are attached to this item.

- **AB 1379 (Papan) - Open meetings: teleconference - Support**

Would remove the restrictions on the ability of legislative body members to teleconference into open and public meetings. AB 1379 (Papan) will instead require a legislative body to post agendas at a singular designed physical meeting location within the service territory that is open to the public instead of at all teleconference locations. Currently a legislative body is required to publicly post the address of all remote teleconference locations.

- **SB 319 (McGuire) - Electricity transmission planning - Support**

Would require the CEC, CPUC, and CAISO to come up with a joint plan for moving transmission projects and resource planning to meet California's 2045 goals climate goals, report annually on progress, require the IOUs to review and report on their transmission needs and plans over the next decade.

- **SB 410 (Becker) - Powering Up Californians Act - Support**

Would require the CPUC to ensure IOUs connect new buildings and electricity service capacity upgrades to customers on a reasonable timeframe. Sets an average and maximum timeline in which electrical utilities should connect customers to the grid.

- **SB 537 (Becker) - Public meeting teleconference - Support**

Would allow multijurisdictional, cross county legislative bodies to use alternate teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. Requires a multijurisdictional legislative body to provide a record of attendance on its internet website within seven days after a teleconference meeting along with immunocompromisation in the list of health exemptions from previous legislation.

## ***Proposed New Legislative Positions***

Staff are working at the request of the Board to review certain decarbonization bills, and now recommend the Board take positions to support the following two bills.

While positions could be taken by staff in consultation with the Chair and Vice Chair at any time, at the time of this writing, the decisions were not urgent, so the normal process is currently being followed of showing staff's recommendations to the Committee and the Board in advance.

- **AB 527 (Min) - Neighborhood Decarbonization - Recommend SUPPORT**

Would require the CPUC for a five-year pilot period to facilitate neighborhood-scale retrofits from gas to electric infrastructure when it is cost effective (e.g., during times when the gas infrastructure would otherwise need major repairs or replacement), and where it prioritizes alleviating the pollution burden in areas with the highest impacts (e.g., low-income, disadvantaged). After five years, the pilot would be assessed and the CPUC would decide in its sole discretion whether to continue it. Critically, the bill would clarify that a gas company does not have an obligation to provide gas when the AB 527 conditions allow a conversation to electric energy.

Support/Opposition: unknown at this time, but likely strong support from many environmental organizations.

Staff recommends SUPPORT.

- **AB 593 (Haney) - Carbon emission reduction - Recommend SUPPORT**

Would require the CEC by June 2024 to identify an emission reduction strategy with milestones for the building sector. To date, the State's building codes have a number of implied emission reduction elements (e.g., energy efficiency) but are not explicitly linked. The strategy would need to maximize workforce development, minimize impacts on ratepayers, support the State's extreme heat goals, switch to heat pumps in areas with extreme weather, and reduce barriers for low-income households.

Support/Opposition: the bill is sponsored by the Building Decarbonization Coalition and supported by a number of local and state environmental groups, including Sierra Club California, MCE, Rewiring America, SPUR, RMI and California Environmental Voters. Only the California Association of Realtors has registered opposition to date.

Staff recommends SUPPORT.

- **SB 83 (Wiener/Wood) - Interconnection Timelines - Recommend SUPPORT**

Sets an 8-week deadline for IOUs to interconnect new buildings and new resources (e.g., solar, EV charging and batteries) on existing structures. Requires that IOU shareholders compensate development project applicants for failing distribution grid interconnection within eight weeks. The CPUC would be required to establish an annual reporting requirement to collect the number of load interconnection applications with the IOUs' electrical distribution grid received in the previous 12 months and the time period in which the IOU energizes the projects.

Support and Opposition: SCE has argued the bill is too broad in that it is trying to solve a PG&E problem, not a general IOU problem. PG&E has argued they cannot keep up with new connections because of wildfire prevention work. As a result, the IOUs will probably oppose. Likely support from housing advocates, labor, business associations, and local governments.

Staff recommends SUPPORT.

▪ **AB 982 (Villapudua) - Public Purpose Programs Fund - Recommend WATCH**

Would shift the financing from gas and electric rates to state general tax appropriations for most programs funding low-income weatherization, energy efficiency, customer-owned renewable energy and storage incentives, home insulation programs, rate assistance for food banks and the small-scale biomass program. The Author's argument is that this would lower energy costs for low-income households and shift costs toward taxpayers, who tend to be higher income. The bill would also either increase taxes or reduce program spending, and perhaps most concerning, it would add considerable risks to these programs by having to appropriate funds every single year.

Support and Opposition: Southern California Gas is the sponsor. The IOUs are generally supporting the bill likely because it would make their electric costs appear to be lower. Other supporters include CalChamber and the Coalition of Utility Employees. The only registered opposition so far is TURN, but additional opposition is expected when the bill reaches Appropriations due to the impacts on increasing state taxes.

Staff recommend WATCH.

## **Attachments**

- Attachment A - Thompson - Support Letter Trunk Sewer Line
- Attachment B - Feinstein - Support Letter Trunk Sewer Line
- Attachment C - Huffman - Support Letter Trunk Sewer Line
- Attachment D - Berman - Support Letter AB 643
- Attachment E - Pacheco - Support Letter AB 817
- Attachment F - Papan - Support Letter AB 1379
- Attachment G - Muratsuchi - Support Letter AB 1538
- Attachment H - McGuire - Support Letter SB 319
- Attachment I - Becker - Support Letter SB 410
- Attachment J - Portantino - Support Letter SB 411
- Attachment K - Becker - Support Letter SB 537



431 E Street  
Santa Rosa, CA 95404  
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March 15, 2023

The Honorable Mike Thompson  
U.S. House  
260 Cannon Office Building  
Washington, D.C. 20515

**Support for City of Santa Rosa's Congressionally Designated Spending Request for the Regional Llano Trunk Sewer Line Project**

Dear Congressman Thompson:

The Sonoma Clean Power Authority supports the City of Santa Rosa's Congressionally Designated Spending request for the Regional Llano Trunk sewer line project, which aligns with the City of Santa Rosa's 2023 Federal Legislative Platform.

With your leadership, Congress approved and President Biden signed into law the Water Resources Development Act of 2022, which includes an environmental infrastructure authorization for Santa Rosa's water and wastewater infrastructure projects.

The City of Santa Rosa Water Department (Santa Rosa Water) delivers approximately six billion gallons of drinking water, each year, to over 53,000 customer accounts and maintains the sanitary sewer system for over 49,000 customer accounts in Santa Rosa. These systems include roughly 1,200 miles of water and sewer pipelines. Santa Rosa Water also operates the Santa Rosa Regional Water Reuse System, which services approximately 230,000 residents in Santa Rosa, Rohnert Park, Cotati, Sebastopol, and unincorporated portions of Sonoma County. The hub of the reuse system is the Laguna Wastewater Treatment Plant.

The proposed project to replace part of the Regional Llano Trunk sewer line would improve deficient wastewater conveyance along a critical pipeline in Santa Rosa that feeds into our Regional Water Reuse System, which includes water recycling, urban and agricultural reuse, biosolids beneficial reuse and Geysers geothermal power recharge.

As one of California's largest purchasers of Geysers geothermal power, Sonoma Clean Power is interested in this important project to support sustaining all flows to the Geysers area.

The proposed Llano Trunk sewer line project is identified in the City's Sewer Master Plan as the City's most critical wastewater infrastructure because the trunk lines transport significant flow to the Laguna Wastewater Treatment Plant, the hub of the Regional Reuse System, via large diameter pipelines which are located in environmentally critical areas, under paved roadways, along sewer easements. This sewer trunk line requires urgent rehabilitation to avoid catastrophic failure that would have an enormous impact on our local environment and community.

On average, during dry weather, the Laguna Wastewater Treatment Plant receives 14 million gallons per day (MGD) of wastewater from the region and has seen flows peak at over 90 MGD during large storms. During normal water years, Santa Rosa beneficially reuses nearly 100% of the tertiary treated recycled water. Approximately 2 billion gallons is beneficially reused each year for urban and agricultural irrigation in Santa Rosa and Rohnert Park, offsetting the need to use precious and limited potable water from the Russian River and groundwater resources, where 93% of Santa Rosa's water supply is derived and delivered under contract by Sonoma Water.

Annually over 4 billion gallons of recycled water is sent to the Geysers Recharge Project via a 41-mile pipeline to the Geysers steam fields where it increases the power output by well over 100 megawatts, producing clean, renewable energy every single hour of the year. The Geysers geothermal power facility is the largest renewable baseload power facility in California and key element of the State's goal for reaching 100% renewable power by 2045.

Sonoma Clean Power has also entered into agreements with three firms to expand the geothermal power capacity in the Geysers area by 500 to 600 megawatts.

If the Llano trunk sewer line fails, wastewater flows to the treatment plant would be interrupted, which would not only pose a significant health and safety concern to our community and environment but would risk power grid blackouts and major increases in reliance of fossil fuel power plants.

Funding for this project is crucial for increasing the City's capacity to ensure the reliability and sustainability of City's wastewater system to strengthen the local economy, preserve and protect our natural environment, address climate change, and preserve the region's recycled water supply.

I kindly request your consideration of the City's request.

Sincerely,

A handwritten signature in black ink, appearing to read "Geof Syphers", with a stylized, looping flourish at the end.

Geof Syphers, CEO



431 E Street  
Santa Rosa, CA 95404  
[sonomacleanpower.org](https://sonomacleanpower.org)

March 15, 2023

The Honorable Dianne Feinstein  
U.S. Senate  
331 Hart Senate Office Building  
Washington, D.C. 20515

**Support for City of Santa Rosa's Congressionally Designated Spending Request for the Regional Llano Trunk Sewer Line Project**

Dear Senator Feinstein:

The Sonoma Clean Power Authority supports the City of Santa Rosa's Congressionally Designated Spending request for the Regional Llano Trunk sewer line project, which aligns with the City of Santa Rosa's 2023 Federal Legislative Platform.

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Funding for this project is crucial for increasing the City's capacity to ensure the reliability and sustainability of City's wastewater system to strengthen the local economy, preserve and protect our natural environment, address climate change, and preserve the region's recycled water supply.

I kindly request your consideration of the City's request.

Sincerely,

A handwritten signature in black ink, appearing to read "Geof Syphers", with a stylized, looping flourish at the end.

Geof Syphers, CEO



431 E Street  
Santa Rosa, CA 95404  
[sonomacleanpower.org](https://sonomacleanpower.org)

March 15, 2023

The Honorable Jared Huffman  
U.S. House  
2445 Rayburn House Office Building  
Washington, D.C. 20515

**Support for City of Santa Rosa's Congressionally Designated Spending Request for the Regional Llano Trunk Sewer Line Project**

Dear Congressman Huffman:

The Sonoma Clean Power Authority supports the City of Santa Rosa's Congressionally Designated Spending request for the Regional Llano Trunk sewer line project, which aligns with the City of Santa Rosa's 2023 Federal Legislative Platform.

With your leadership, Congress approved and President Biden signed into law the Water Resources Development Act of 2022, which includes an environmental infrastructure authorization for Santa Rosa's water and wastewater infrastructure projects.

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I kindly request your consideration of the City's request.

Sincerely,

A handwritten signature in black ink, appearing to read "Geof Syphers", with a stylized, looping flourish at the end.

Geof Syphers, CEO



431 E Street  
Santa Rosa, CA 95404  
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April 11, 2023

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

**Re: AB 643 (Berman) - Support**

Dear Chair Garcia:

Sonoma Clean Power is pleased to support AB 643 (Berman), that clarifies an investor-owned utility's (IOU's) failure to meet existing solar interconnection timelines can be treated as a violation of a California Public Utilities Commission (CPUC) decision and can be subject to a financial penalty. AB 643 further states that the CPUC would have discretion whether to assess a penalty.

AB 643 establishes a timeline of three business days for an IOU to provide a substantial response to any queries from an interconnection applicant related to the completeness of the application and the submission of supporting information. AB 643 also requires the CPUC to submit an annual report to the Legislature on timelines for the interconnection of customer-sited energy generation and storage resources.

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

Interconnectivity delays are increasingly becoming a severe impediment to growth across California and AB 643 (Berman) is a tool the CPUC can use to improve the timelines for connectivity. We appreciate your support of AB 643 (Berman) 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 Marc Berman



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April 11, 2023

The Honorable Cecilia Aguiar-Curry, Chair  
Assembly Local Government Committee  
1020 N Street, Room 155  
Sacramento, CA 95814

**Re: AB 817 (Pacheco) - Support as Amended on March 16, 2023**

Dear Chair Aguiar-Curry:

Sonoma Clean Power (SCP) is pleased to support AB 817 (Pacheco) which will remove the barriers to entry for appointed and elected office by allowing non-decision-making legislative bodies that do not have the ability to take final action to participate in two-way virtual teleconferencing without posting location.

Sonoma Clean Power has a Community Advisory Committee with members located in both Sonoma and Mendocino counties. We found the use of pandemic-era teleconferencing rules allowed for greater participation and diversified the subsidiary body. AB 817 (Pacheco) will continue the pandemic-era teleconferencing model along with establishing the subsidiary body would have to make findings every 12 months that include:

1. The legislative body has considered the circumstances of the subsidiary body.
2. Teleconference meetings would enhance public access to the subsidiary body.
3. Teleconference meetings would help attract, retain, and diversity the subsidiary body.

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

Sonoma Clean power is the public electricity provider for Sonoma and Mendocino counties. We provide our customers cleaner electricity at competitive rates from sources like solar,

wind, geothermal and hydropower, and promote local solutions to climate change. SCP is a not-for-profit agency, independently run by the participating Cities of Cloverdale, Cotati, Fort Bragg, Petaluma, Point Arena, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Willits, Windsor, and the Counties of Sonoma and Mendocino.

Thank you for your leadership and support of improving and ensuring the Ralph M. Brown Act continues to provide an avenue for the public to participate in open and public meetings by using 21<sup>st</sup> Century technology. We appreciate your support of AB 817 (Pacheco) when it is heard in the Assembly Local Government 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 Local Government Committee  
The Honorable Blanca Pacheco



431 E Street  
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April 11, 2023

The Honorable Cecilia Aguiar-Curry, Chair  
Assembly Local Government Committee  
1020 N Street, Room 155  
Sacramento, CA 95814

**Re: AB 1379 (Papan) - Support as Amended on March 23, 2023**

Dear Chair Aguiar-Curry:

Sonoma Clean Power (SCP) is pleased to support AB 1379 (Papan) which will remove the restrictions on the ability of legislative body members to teleconference into open and public meetings. AB 1379 (Papan) will instead require a legislative body to post agendas at a singular designed physical meeting location within the service territory that is open to the public instead of at all teleconference locations. Currently a legislative body is required to publicly post the address of all remote teleconference locations.

SCP supported AB 2449 (Rubio) which was signed by Governor Newsom in 2022. However, it has been determined that the significant restrictions and logistical considerations of AB 2449 make it very challenging to use. The requirements in AB 1379 (Papan) will ensure SCP will be able to perform its duties and obligations while providing the public with complete access to the meetings.

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

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



Thank you for your leadership and support of improving and ensuring the Ralph M. Brown Act continues to provide an avenue for the public to participate in open and public meetings by using 21<sup>st</sup> Century technology. We appreciate your support of AB 1379 (Papan) when it is heard in the Assembly Local Government 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 Local Government Committee  
The Honorable Diane Papan



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April 11, 2023

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

**Re: AB 1538 (Muratsuchi) - Support as Amended on March 30, 2023**

Dear Chair Garcia:

Sonoma Clean Power (SCP) is pleased to support AB 1538 (Muratsuchi), which would create a catalyst program to incentivize getting clean, renewable capacity resources online to decrease electricity rates and increase grid reliability.

AB 1538 brings a two-pronged approach. First, it would establish the Clean Energy Reliability Program to be administered by the CPUC. This program would provide incentive payments to load serving entities that bring clean energy resources online, above their compliance requirements. This will help California get much-needed capacity online, which will lower ratepayer costs caused by the lack of a robust RA, and overall system shortages in California. Together, the incentive payments paired with the reduced RA prices will help relieve near-term upward pressure on electricity rates. Increased capacity also means increased reliability, and fewer threats of outages.

Second, AB 1538 will work in conjunction with an open proceeding at the CPUC that is creating a long-term framework and target for new clean energy resources by 2035 to ensure there is enough capacity to meet reliability needs. This bill will send a signal to the CPUC to set a big, bold target that is a floor and not a ceiling, to create the necessary competition that will drive down prices in the RA market.

Sonoma Clean power is the public electricity provider for Sonoma and Mendocino counties. We provide our customers cleaner electricity at competitive rates from sources like solar, wind, geothermal and hydropower, and promote local solutions to climate change. SCP is a not-for-profit agency, independently run by the participating Cities of Cloverdale, Cotati, Fort

Bragg, Petaluma, Point Arena, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Willits, Windsor, and the Counties of Sonoma and Mendocino.

AB 1538 is the next step if California is to meet its clean energy goals. We appreciate your support of AB 1538 when it is heard in the Assembly Utilities and Energy Committee.

Sincerely,

A handwritten signature in black ink, reading "Geof Syphers". The signature is fluid and cursive, with a large, sweeping loop at the end.

Geof Syphers, CEO



431 E Street  
Santa Rosa, CA 95404  
[sonomacleanpower.org](https://sonomacleanpower.org)

April 11, 2023

The Honorable Steven Bradford, Chair  
Senate Energy, Utilities and Communications Committee  
1021 O Street, Room 3350  
Sacramento, CA 95814

**Re: SB 319 (McGuire) - Support**

Dear Chair Bradford:

Sonoma Clean Power is pleased to support SB 319 (McGuire) which would require the Energy Commission (CEC), the Public Utilities Commission (CPUC), and the Independent System Operator (CAISO) to coordinate and implement a joint workplan through specified proceedings and other resource planning activities. Additionally, SB 319 would require the three agencies to agree on principles for forecast cases and a single recommended forecast set and use it consistently in transmission planning and resource procurement cycles to the extent possible.

California's electric grid continues to face many challenges from aging infrastructure and insufficient transmission capacity. The U.S. Department of Energy's February 2023 draft titled *National Transmission Needs Study* points out that California needs to (1) improve system reliability and resilience, (2) alleviate unscheduled flows between California and the Northwest, (3) relieve high-priced areas by improving access to low-cost generation, and (4) increase of transfer capacity with neighboring regions to meet projected load and generation growth. By bringing the three agencies together to develop a joint workplan, California will improve grid reliability, enhance renewable resource integration, and reduce congestion and curtailment.

More specifically, SB 319 would

- Require the CPUC, CAISO, and the CEC to come up with a joint plan for moving transmission projects and resource planning to meet our 2045 goals, and for the agencies to report annually on the progress.

- Require the agencies to jointly recommend to the Legislature a roadmap for expediting transmission permitting by Dec 31, 2024.
- Require the CPUC to have the electrical corporations review their long-term transmission needs over the next decade based on the interconnections they are seeing, and report that to the CPUC for planning purposes.
- Require electrical corporations to coordinate with local governments to identify each local government's present and future interconnection needs.
- Require completed transmission projects to report their final costs back to the CPUC. The CPUC will incorporate said information into their annual report under the framework of the bill.

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

California must take the next step if the citizens of California are going to have reliable and clean energy for years to come. We appreciate your support of SB 319 (McGuire) when it is heard in the Senate Energy, Utilities and Communications Committee.

Sincerely,



Geof Syphers, CEO

cc: Members of the Senate Energy, Utilities and Communications Committee  
The Honorable Mike McGuire



431 E Street  
Santa Rosa, CA 95404  
[sonomacleanpower.org](http://sonomacleanpower.org)

April 11, 2023

The Honorable Steven Bradford, Chair  
Senate Energy, Utilities and Communications Committee  
1021 O Street, Room 3350  
Sacramento, CA 95814

**Re: SB 410 (Becker) - Support**

Dear Chair Bradford:

Sonoma Clean Power is pleased to support SB 410 (Becker) also known as the Powering Up Californians Act. SB 410 (Becker) will reduce the time in which investor-owned utilities (IOUs) connect and upgrade customers to electricity service. Current delays in the connection of new housing and business developments or climate friendly grid upgrades threaten California's ability to meet the state's clean energy goals and provide timely electricity service.

SB 410 (Becker) requires the California Public Utilities Commission (CPUC) to plan and set guidance for how to accommodate Californian's growing electricity grid connection requests to reduce current delays and preemptively prevent future delays. This bill sets out multiple requirements for the CPUC to ensure electrical utilities connect new buildings or electricity service capacity upgrades to customers on a reasonable timeframe. SB 410 (Becker) requires the CPUC to create an average and maximum timeline in which electrical utilities should connect customers to the grid.

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The new plans and targets for connecting new and upgraded electricity service to the grid are critical to ensure that California is adequately able to meet its clean energy transition

goals while reducing customer frustration with service delays. We appreciate your support of SB 410 (Becker) when it is heard in the Senate Energy, Utilities and Communications 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 Senate Energy, Utilities and Communications Committee  
The Honorable Josh Becker



431 E Street  
Santa Rosa, CA 95404  
[sonomacleanpower.org](http://sonomacleanpower.org)

April 11, 2023

The Honorable Anna Caballero, Chair  
Senate Governance and Finance Committee  
1020 N Street, Room 584  
Sacramento, CA 95814

**Re: SB 411 (Portantino) - Support**

Dear Chair Caballero:

Sonoma Clean Power is pleased to support SB 411 (Portantino) which will allow a legislative body to use alternate teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency.

SCP credits Governor Newsom and the Legislature for its forward thinking when California was just entering the pandemic. Without the ability to teleconference our board meetings over the last three years, SCP would not have been able to meet its open and public meeting obligations in a protective manner. SB 411 (Portantino) will allow SCP to continue providing access to all members of the community during its meetings.

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

Thank you for your leadership and support of improving and ensuring the Ralph M. Brown Act continues to provide an avenue for the public to participate in open and public meetings by using 21<sup>st</sup> Century technology. We appreciate your support of SB 411 (Portantino) when it is heard in the Senate Governance and Finance 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 Governance and Finance Committee  
The Honorable Anthony J. Portantino



431 E Street  
Santa Rosa, CA 95404  
[sonomacleanpower.org](http://sonomacleanpower.org)

April 11, 2023

The Honorable Anna Caballero, Chair  
Senate Governance and Finance Committee  
1020 N Street, Room 584  
Sacramento, CA 95814

**Re: SB 537 (Becker) - Support as Amended on March 22, 2023**

Dear Chair Caballero:

Sonoma Clean Power is pleased to support SB 537 (Becker) which will allow multijurisdictional, cross county legislative bodies to use alternate teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. SB 537 (Bekcer) will also require a multijurisdictional legislative body to provide a record of attendance on its internet website within seven days after a teleconference meeting along with immunocompromisation in the list of health exemptions from previous legislation.

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

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

Thank you for your leadership and support of improving and ensuring the Ralph M. Brown Act continues to provide an avenue for the public to participate in open and public meetings by using 21<sup>st</sup> Century technology. We appreciate your support of SB 537 (Becker) when it is heard in the Senate Governance and Finance 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 Governance and Finance Committee  
The Honorable Josh Becker

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## Staff Report - Item 05

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

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

**Issue:** Recommend the Board of Directors Approve the Proposed Annual Budget for Fiscal Year 2023-2024

**Date:** April 20, 2023

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### Recommendation

Recommend that the Board of Directors approve the proposed Fiscal Year 2023-2024 Annual Budget and rates.

### Summary

The draft budget was well received by the Community Advisory Committee and the Board of Directors at their respective meetings, and no suggestions for change were indicated. This report continues to include the detailed background for reference, but no changes were made to the budget or those details.

Staff propose a 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 proposed 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 calendar year 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 PG&E's 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 power, which itself fluctuates significantly with the commodity price of, 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 proposed Fiscal Year 2023-2024 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 hourly 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

## **PROPOSED BUDGET**

The Proposed 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
<b>REVENUES &amp; OTHER SOURCES</b>			
Electricity Sales <sup>1</sup> (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 <sup>2</sup> (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
<b>Total Revenues</b>	<b>285,516,000</b>	<b>252,709,000</b>	
<b>EXPENDITURES</b>			
<b>Product</b>			
Cost of Energy & Scheduling <sup>3</sup>	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	
<b>Product Subtotal</b>	<b>197,166,000</b>	<b>197,432,000</b>	
<b>Personnel</b>			
	7,650,000	8,346,000	See details in write-up
<b>Energy Center, Mktg &amp; Comm</b>			
	2,951,000	3,061,000	Increased market/customer research, targeted and segmented marketing, 10 year retrospective
<b>Customer Service</b>			
	291,000	220,000	Reclassification of community support to Energy Center, Mktg & Comm and less required noticing
<b>General &amp; Administration</b>			
	1,190,000	1,360,000	Reclassification of AEC rent when CEC grant ends and increased building maintenance
<b>Other Professional Services</b>			
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
<b>Other Professional Services Subtotal</b>	<b>2,114,000</b>	<b>2,088,000</b>	



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

Notes on the Proposed 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 appear 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 PROPOSED 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, likely by the end of 2023, the Board may consider a further rate 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., changes in PCIA fees and procurement orders).

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 trued 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 proposed 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 in further 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 with funds, time, and expertise, including through SCP's 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. A minimal amount of federal and state lobbying on the GeoZone is also included, and if larger amounts are needed, staff would return and ask for a budget adjustment.

### 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, changes 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
<b>REVENUES &amp; OTHER SOURCES</b>						
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
<b>Total Revenues</b>	<b>285,516,000</b>	<b>252,709,000</b>	<b>231,007,473</b>	<b>270,346,539</b>	<b>256,544,984</b>	<b>243,669,100</b>
<b>EXPENDITURES</b>						
<b>Product</b>						
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
<b>Product Subtotal</b>	<b>197,166,000</b>	<b>197,432,000</b>	<b>207,316,439</b>	<b>245,950,605</b>	<b>230,764,825</b>	<b>216,515,568</b>
<b>Personnel</b>	<b>7,650,000</b>	<b>8,346,000</b>	<b>9,013,680</b>	<b>9,734,774</b>	<b>10,513,556</b>	<b>11,354,641</b>
<b>Energy Center, Mktg &amp; Comm</b>	<b>2,951,000</b>	<b>3,061,000</b>	<b>3,183,440</b>	<b>3,310,778</b>	<b>3,443,209</b>	<b>3,580,937</b>
<b>Customer Service</b>	<b>291,000</b>	<b>220,000</b>	<b>229,900</b>	<b>240,246</b>	<b>251,057</b>	<b>262,354</b>
<b>General &amp; Administration</b>	<b>1,190,000</b>	<b>1,360,000</b>	<b>1,544,185</b>	<b>1,606,987</b>	<b>1,672,344</b>	<b>1,740,358</b>
<b>Other Professional Services</b>						
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
<b>Other Professional Services Subtotal</b>	<b>2,114,000</b>	<b>2,088,000</b>	<b>2,152,840</b>	<b>2,219,713</b>	<b>2,288,684</b>	<b>2,359,819</b>
<b>Industry Memberships &amp; Dues</b>	<b>560,000</b>	<b>645,000</b>	<b>664,350</b>	<b>684,281</b>	<b>704,809</b>	<b>725,953</b>
<b>Programs</b>						
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	-	-	-	-
<b>Programs Subtotal</b>	<b>9,636,000</b>	<b>9,813,000</b>	<b>6,502,639</b>	<b>6,187,156</b>	<b>6,482,140</b>	<b>6,692,378</b>
<b>Total Expenditures</b>	<b>221,558,000</b>	<b>222,965,000</b>	<b>230,607,473</b>	<b>269,934,539</b>	<b>256,120,624</b>	<b>243,232,009</b>
<b>Revenues Less Expenditures</b>	<b>63,958,000</b>	<b>29,744,000</b>	<b>400,000</b>	<b>412,000</b>	<b>424,360</b>	<b>437,091</b>
<b>OTHER USES</b>						
Capital Outlay	600,000	600,000	400,000	412,000	424,360	437,091
<b>Total Expenditures, Other Uses</b>	<b>222,158,000</b>	<b>223,565,000</b>	<b>231,007,473</b>	<b>270,346,539</b>	<b>256,544,984</b>	<b>243,669,100</b>
<b>Net Increase/(Decrease) in Fund Balance</b>	<b>\$ 63,358,000</b>	<b>\$ 29,144,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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## **Staff Report - Item 06**

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**To: Sonoma Clean Power Authority Community Advisory Committee**  
**From: Ad hoc Committee on Member Goals**  
**Issue: Discuss 2023 Community Advisory Committee Member Goals**  
**Date: April 20, 2023**

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### **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.

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

## **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 20<sup>th</sup> 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.